

FISCAL BIENNIUM 2008-2010 COMMONWEALTH BUDGET FINAL BUDGET MEMORANDUM

VOLUME III

Legislative Research Commission

June 4, 2008

This FB 2008-2010 Commonwealth Budget Final Budget Memorandum, as approved by the Legislative Research Commission pursuant to 2008 HJR 81, enumerates the changes made by the 2008 General Assembly to HB 406, the State/Executive Branch Budget Bill, and provides explanatory detail to convey the intent of their actions. This report addresses not only provisions of HB 406, but also applicable provisions of HB 2, HB 410, HB 514, and HB 608 that impact, add, or modify appropriations provisions contained in HB 406. Volume VI lists the Biennial Highway Construction projects approved by the General Assembly in HB 79, which was subsequently vetoed by the Governor in its entirety.

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**FISCAL BIENNIUM 2008-2010 COMMONWEALTH BUDGET
FINAL BUDGET MEMORANDUM**

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C - Economic Development Cabinet

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C - Economic Development Cabinet

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C - Economic Development Cabinet

Operating Budget

Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	50,950,600	50,950,600		24,065,300	25,877,000	1,811,700	26,504,100	28,302,100	1,798,000
Restricted Funds	3,971,400	3,971,400		3,255,600	3,255,600		3,292,500	3,292,500	
Federal Funds	155,400	155,400		199,900	199,900		204,300	204,300	
Regular Total Funds	55,077,400	55,077,400		27,520,800	29,332,500	1,811,700	30,000,900	31,798,900	1,798,000
Use of Continuing	10,376,200	10,376,200							
TOTAL FUNDS	65,453,600	65,453,600		27,520,800	29,332,500	1,811,700	30,000,900	31,798,900	1,798,000

II. EXPENDITURE CATEGORY

Personnel Costs	12,133,000	12,133,000		11,583,900	11,403,300	(180,600)	11,841,000	11,646,700	(194,300)
Operating Expenses	1,587,500	1,587,500		1,562,800	1,562,800		1,575,600	1,575,600	
Grants, Loans, Benefits	44,572,600	44,572,600		14,374,100	16,366,400	1,992,300	14,374,300	16,366,600	1,992,300
Debt Service	7,160,500	7,160,500					2,210,000	2,210,000	
TOTAL EXPENDITURES	65,453,600	65,453,600		27,520,800	29,332,500	1,811,700	30,000,900	31,798,900	1,798,000

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	50,950,600	50,950,600		23,884,700	23,884,700		24,099,800	24,099,800	
Restricted Funds	3,971,400	3,971,400		3,255,600	3,255,600		3,292,500	3,292,500	
Federal Funds	155,400	155,400		199,900	199,900		204,300	204,300	
Regular Total Funds	55,077,400	55,077,400		27,340,200	27,340,200		27,596,600	27,596,600	
Use of Continuing	10,376,200	10,376,200							
TOTAL BASE LEVEL	65,453,600	65,453,600		27,340,200	27,340,200		27,596,600	27,596,600	

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				180,600	1,992,300	1,811,700	2,404,300	4,202,300	1,798,000
TOTAL ADDITIONAL				180,600	1,992,300	1,811,700	2,404,300	4,202,300	1,798,000

C - Economic Development Cabinet

Capital Budget

Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				50,000,000	50,000,000				
Investment Income				1,100,000		(1,100,000)			
TOTAL CAPITAL				51,100,000	50,000,000	(1,100,000)			

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

ECONOMIC DEVELOPMENT CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Secretary	21,221,400	21,221,400		17,236,200	17,236,200		17,351,700	17,351,700	
New Business Development	1,999,400	1,999,400		1,802,400	1,621,800	(180,600)	1,824,600	1,630,300	(194,300)
Financial Incentives	28,199,400	28,199,400		4,938,400	6,930,700	1,992,300	7,199,400	9,191,700	1,992,300
Existing Business Development	3,657,200	3,657,200		3,543,800	3,543,800		3,625,200	3,625,200	
Regular Appropriation	55,077,400	55,077,400		27,520,800	29,332,500	1,811,700	30,000,900	31,798,900	1,798,000

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

ECONOMIC DEVELOPMENT CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
GENERAL FUND									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Secretary	20,010,100	20,010,100		16,024,900	16,024,900		16,140,400	16,140,400	
New Business Development	1,252,400	1,252,400		1,502,400	1,321,800	(180,600)	1,524,600	1,330,300	(194,300)
Financial Incentives	26,396,300	26,396,300		3,194,100	5,186,400	1,992,300	5,418,200	7,410,500	1,992,300
Existing Business Development	3,291,800	3,291,800		3,343,900	3,343,900		3,420,900	3,420,900	
Regular Appropriation	50,950,600	50,950,600		24,065,300	25,877,000	1,811,700	26,504,100	28,302,100	1,798,000

GENERAL FUND

CONTINUED RESERVE SPENDING SUMMARY BY APPROPRIATION UNIT

Financial Incentives	10,376,200	10,376,200	
Reserve Spending	10,376,200	10,376,200	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

ECONOMIC DEVELOPMENT CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
RESTRICTED FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Secretary	1,211,300	1,211,300		1,211,300	1,211,300		1,211,300	1,211,300	
New Business Development	747,000	747,000		300,000	300,000		300,000	300,000	
Financial Incentives	1,803,100	1,803,100		1,744,300	1,744,300		1,781,200	1,781,200	
Existing Business Development	210,000	210,000							
Regular Appropriation	3,971,400	3,971,400		3,255,600	3,255,600		3,292,500	3,292,500	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

ECONOMIC DEVELOPMENT CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
FEDERAL FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Existing Business Development	155,400	155,400		199,900	199,900		204,300	204,300	
Regular Appropriation	155,400	155,400		199,900	199,900		204,300	204,300	

C - Economic Development Cabinet

Operating Budget

Secretary

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	20,010,100	20,010,100		16,024,900	16,024,900		16,140,400	16,140,400	
Restricted Funds	1,211,300	1,211,300		1,211,300	1,211,300		1,211,300	1,211,300	
Regular Total Funds	21,221,400	21,221,400		17,236,200	17,236,200		17,351,700	17,351,700	
Use of Continuing									
TOTAL FUNDS	21,221,400	21,221,400		17,236,200	17,236,200		17,351,700	17,351,700	
II. EXPENDITURE CATEGORY									
Personnel Costs	5,247,100	5,247,100		5,085,800	5,085,800		5,188,300	5,188,300	
Operating Expenses	722,500	722,500		694,300	694,300		707,100	707,100	
Grants, Loans, Benefits	14,225,800	14,225,800		11,456,100	11,456,100		11,456,300	11,456,300	
Debt Service	1,026,000	1,026,000							
TOTAL EXPENDITURES	21,221,400	21,221,400		17,236,200	17,236,200		17,351,700	17,351,700	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	20,010,100	20,010,100		16,024,900	16,024,900		16,140,400	16,140,400	
Restricted Funds	1,211,300	1,211,300		1,211,300	1,211,300		1,211,300	1,211,300	
Regular Total Funds	21,221,400	21,221,400		17,236,200	17,236,200		17,351,700	17,351,700	
Use of Continuing									
TOTAL BASE LEVEL	21,221,400	21,221,400		17,236,200	17,236,200		17,351,700	17,351,700	

SECRETARY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that direct:

"Funding for Commercialization and Innovation: Notwithstanding Subchapter 20 of KRS Chapter 154, interest income earned on the balances in the High-Tech Construction/Investment Pool and loan repayments received by the High-Tech Construction/Investment Pool shall be used to support the Department for Commercialization and Innovation and are appropriated in addition to amounts appropriated above."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget includes language provisions as follows:

"Economic Development Bond Issues: Before any economic development bonds are issued, the proposed bond issue shall be approved by the Secretary of the Finance and Administration Cabinet and the State Property and Buildings Commission under KRS 56.440 to 56.590. In addition to the terms and conditions of KRS 154.12-100, administration of the Economic Development Bond Program by the Secretary of the Cabinet for Economic Development is subject to the following guideline: project selection shall be documented when presented to the Secretary of the Finance and Administration Cabinet. Included in the documentation shall be the rationale for selection and expected economic development impact."

"Use of New Economy Funds: Notwithstanding 2006 Ky. Acts ch. 252, Part II, C., the \$20,000,000 in the New Economy High-Tech Construction/Investment Pool is available for projects and loans approved by the Kentucky Economic Development Finance Authority under the terms and conditions of KRS 154.12-100 as well as for projects in the High-Tech Construction Pool and the High-Tech Investment Pool in KRS 154.12-278."

SECRETARY

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly adds Part I, Operating Budget, language provisions as follows:

"Louisville Waterfront Development Corporation: Included in the above General Fund appropriation is \$420,800 in fiscal year 2008-2009 and \$420,800 in fiscal year 2009-2010 for the Louisville Waterfront Development Corporation."

"Use of New Economy Funds: Notwithstanding KRS 154.12-278, funds totaling \$1,200,000 in each fiscal year from the High-Tech Investment Pool shall be used for a grant to administer the ConnectKentucky program."

The General Assembly amends Part II, Capital Budget, by deleting \$1,100,000 in Investment Income in fiscal year 2008-2009 for the Parking Garage Maintenance Pool.

The General Assembly sustains the following Veto Message from the Governor of the Commonwealth:

The Governor of the Commonwealth vetoes, in part, the following:

Veto # 3 of HB 406 - *"I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:*

Page 39, lines 19 through 21 in their entirety.

I am vetoing this part because of the need to allocate scarce resources in the most efficient manner possible.

The vetoed part requires funding of \$1.2 million in each year of the biennium to administer the ConnectKentucky program from the Cabinet for Economic Development's High-Tech Investment Pool without specifically identifying any services to be rendered to the state or providing for any oversight, control or performance measures relative to the services being rendered. This amount represents a twenty-six percent increase over current grant levels for these services in a budget that decreases most appropriations. I support wholeheartedly the continuation of the broadband initiative and accessibility of high speed internet throughout the Commonwealth and am proud of the great strides made by ConnectKentucky to date. I am directing the Cabinet for Economic

SECRETARY

Development to confer with ConnectKentucky, consider the program needs related to the continuation of the broadband initiative, and structure a funding plan in a fiscally responsible manner that furthers the good work that has been done in this area."

C - Economic Development Cabinet

Capital Budget

Secretary

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Investment Income				1,100,000		(1,100,000)			
TOTAL CAPITAL				1,100,000		(1,100,000)			
II. CAPITAL PROJECTS									
1	Parking Garage Maintenance Pool								
PRJ635M5000									
Investment Income				1,100,000		(1,100,000)			
Project Total				1,100,000		(1,100,000)			
TOTAL CAPITAL				1,100,000		(1,100,000)			

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C - Economic Development Cabinet

Operating Budget

New Business Development

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	1,252,400	1,252,400		1,502,400	1,321,800	(180,600)	1,524,600	1,330,300	(194,300)
Restricted Funds	747,000	747,000		300,000	300,000		300,000	300,000	
Regular Total Funds	1,999,400	1,999,400		1,802,400	1,621,800	(180,600)	1,824,600	1,630,300	(194,300)
Use of Continuing									
TOTAL FUNDS	1,999,400	1,999,400		1,802,400	1,621,800	(180,600)	1,824,600	1,630,300	(194,300)
II. EXPENDITURE CATEGORY									
Personnel Costs	1,590,800	1,590,800		1,371,500	1,190,900	(180,600)	1,393,700	1,199,400	(194,300)
Operating Expenses	408,600	408,600		430,900	430,900		430,900	430,900	
TOTAL EXPENDITURES	1,999,400	1,999,400		1,802,400	1,621,800	(180,600)	1,824,600	1,630,300	(194,300)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	1,252,400	1,252,400		1,321,800	1,321,800		1,330,300	1,330,300	
Restricted Funds	747,000	747,000		300,000	300,000		300,000	300,000	
Regular Total Funds	1,999,400	1,999,400		1,621,800	1,621,800		1,630,300	1,630,300	
Use of Continuing									
TOTAL BASE LEVEL	1,999,400	1,999,400		1,621,800	1,621,800		1,630,300	1,630,300	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				180,600		(180,600)	194,300		(194,300)
TOTAL ADDITIONAL				180,600		(180,600)	194,300		(194,300)
V. ADDITIONAL BUDGET ITEMS									
1 GB Vacant Positions									
ABR637F0001 Provides funds for the Commissioner position in the Department for New Business Development.									
General Fund				180,600		(180,600)	194,300		(194,300)
Project Total				180,600		(180,600)	194,300		(194,300)
TOTAL ADDITIONAL				180,600		(180,600)	194,300		(194,300)

NEW BUSINESS DEVELOPMENT

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly reduces in Part I, Operating Budget, General Fund support totaling \$180,600 in fiscal year 2008-2009 and \$194,300 in fiscal year 2009-2010.

C - Economic Development Cabinet

Operating Budget

Financial Incentives

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	26,396,300	26,396,300		3,194,100	5,186,400	1,992,300	5,418,200	7,410,500	1,992,300
Restricted Funds	1,803,100	1,803,100		1,744,300	1,744,300		1,781,200	1,781,200	
Regular Total Funds	28,199,400	28,199,400		4,938,400	6,930,700	1,992,300	7,199,400	9,191,700	1,992,300
Use of Continuing	10,376,200	10,376,200							
TOTAL FUNDS	38,575,600	38,575,600		4,938,400	6,930,700	1,992,300	7,199,400	9,191,700	1,992,300
II. EXPENDITURE CATEGORY									
Personnel Costs	1,976,900	1,976,900		1,908,900	1,908,900		1,959,900	1,959,900	
Operating Expenses	117,400	117,400		111,500	111,500		111,500	111,500	
Grants, Loans, Benefits	30,346,800	30,346,800		2,918,000	4,910,300	1,992,300	2,918,000	4,910,300	1,992,300
Debt Service	6,134,500	6,134,500					2,210,000	2,210,000	
TOTAL EXPENDITURES	38,575,600	38,575,600		4,938,400	6,930,700	1,992,300	7,199,400	9,191,700	1,992,300
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	26,396,300	26,396,300		3,194,100	3,194,100		3,208,200	3,208,200	
Restricted Funds	1,803,100	1,803,100		1,744,300	1,744,300		1,781,200	1,781,200	
Regular Total Funds	28,199,400	28,199,400		4,938,400	4,938,400		4,989,400	4,989,400	
Use of Continuing	10,376,200	10,376,200							
TOTAL BASE LEVEL	38,575,600	38,575,600		4,938,400	4,938,400		4,989,400	4,989,400	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund					1,992,300	1,992,300	2,210,000	4,202,300	1,992,300
TOTAL ADDITIONAL					1,992,300	1,992,300	2,210,000	4,202,300	1,992,300
V. ADDITIONAL BUDGET ITEMS									
1 NEW Metropolitan College Program									
ABR638G0002 Provides funds to support the Metropolitan Scholar Program.									
General Fund					1,992,300	1,992,300		1,992,300	1,992,300
Project Total					1,992,300	1,992,300		1,992,300	1,992,300
2 N/A Debt Service									
ABR638G0009 Provides support for \$50 million in Economic Development Bonds.									
General Fund							2,210,000	2,210,000	
Project Total							2,210,000	2,210,000	

C - Economic Development Cabinet

Operating Budget

Financial Incentives

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL ADDITIONAL					1,992,300	1,992,300	2,210,000	4,202,300	1,992,300

TRANSFERS TO THE GENERAL FUND

Financial Incentives

Kentucky Economic Development Finance Authority (KRS 154.20-010 to 154.20-150 and 154.20-520)	23,000,000	23,000,000					
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Other Special Revenue Fund	1,197,000	1,197,000	1,200,000	1,200,000		1,200,000	1,200,000
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Balances remaining in the Special Revenue Fund accounts after all appropriations authorized in this bill shall lapse to the General Fund Surplus Account at the end of each fiscal year, except for funds held in escrow for payments of consultant fees.

TOTAL	1,197,000	1,197,000	24,200,000	24,200,000		1,200,000	1,200,000
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FINANCIAL INCENTIVES

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Operations and Support Services, Restricted Funds of \$150,000 in fiscal year 2007-2008, \$75,000 in fiscal year 2008-2009 and \$50,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

"Debt Service: Included in the above General Fund appropriation is \$2,210,000 in fiscal year 2009-2010 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

"Carry Forward of General Fund Appropriation Balance for Bluegrass State Skills Corporation: Notwithstanding KRS 45.229, the General Fund appropriation balance for training grants for fiscal year 2008-2009 and for fiscal year 2009-2010 for the Bluegrass State Skills Corporation shall not lapse and shall carry forward."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly adds a Part I, language provision as follows:

"Metropolitan College: Included in the above General Fund appropriation is \$1,992,300 in each fiscal year for the Metropolitan College program where participants attend the University of Louisville or Jefferson Community and Technical College."

FINANCIAL INCENTIVES

The General Assembly adds a Part II, language provision as follows:

"Economic Development Bonds: Included in the above Economic Development Bonds is \$1,889,500 in fiscal year 2009-2010 for the Hardin County Board of Education for renovation and construction projects identified in the local district facilities plan approved by the Kentucky Department of Education. Prior to the disbursement of these funds, the Hardin County Board of Education must levy an additional five cent equivalent tax rate under the provisions of KRS 157.621 that is dedicated to facilities renovation and construction. The Commissioner of Education must certify that the projected increase in students is a result of the Base Realignment and Closure (BRAC) 2005 issued by the United States Department of Defense pursuant to the Defense Base Closure and Realignment Act of 1990, Pub. L. No. 100-526, Part A of Title XXIX of 104 Stat.1808, 10 U.S.C. sec. 2687 note."

The General Assembly amends Part V, Funds Transfer, by adding the following language:

"Other Special Revenue Fund: Balances remaining in the Special Revenue Fund accounts after all appropriations authorized in this bill shall lapse to the General Fund Surplus Account at the end of each fiscal year, except for funds held in escrow for payments of consultant fees."

ADDITIONAL ACTIONS OF THE GENERAL ASSEMBLY

House Bill 514, Section 1, provides the following:

"On page 136, line 16 of the 2008 Regular Session HB 406/EN, delete "157.621" and insert "157.621(1)(c)".

C - Economic Development Cabinet**Capital Budget****Financial Incentives**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				50,000,000	50,000,000				
TOTAL CAPITAL				50,000,000	50,000,000				
II. CAPITAL PROJECTS									
1	Economic Development Bonds								
PRJ638G5000									
Bond Funds				50,000,000	50,000,000				
Project Total				50,000,000	50,000,000				
2	Economic Development Bond Pool - 2004-2006 Reauthorization (\$12,324,500 Bond Funds)								
PRJ638G1375									
Bond Funds									
Project Total									
TOTAL CAPITAL				50,000,000	50,000,000				

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C - Economic Development Cabinet

Operating Budget

Existing Business Development

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	3,291,800	3,291,800		3,343,900	3,343,900		3,420,900	3,420,900	
Restricted Funds	210,000	210,000							
Federal Funds	155,400	155,400		199,900	199,900		204,300	204,300	
Regular Total Funds	3,657,200	3,657,200		3,543,800	3,543,800		3,625,200	3,625,200	
Use of Continuing									
TOTAL FUNDS	3,657,200	3,657,200		3,543,800	3,543,800		3,625,200	3,625,200	
II. EXPENDITURE CATEGORY									
Personnel Costs	3,318,200	3,318,200		3,217,700	3,217,700		3,299,100	3,299,100	
Operating Expenses	339,000	339,000		326,100	326,100		326,100	326,100	
TOTAL EXPENDITURES	3,657,200	3,657,200		3,543,800	3,543,800		3,625,200	3,625,200	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	3,291,800	3,291,800		3,343,900	3,343,900		3,420,900	3,420,900	
Restricted Funds	210,000	210,000							
Federal Funds	155,400	155,400		199,900	199,900		204,300	204,300	
Regular Total Funds	3,657,200	3,657,200		3,543,800	3,543,800		3,625,200	3,625,200	
Use of Continuing									
TOTAL BASE LEVEL	3,657,200	3,657,200		3,543,800	3,543,800		3,625,200	3,625,200	
TRANSFERS TO THE GENERAL FUND									
Existing Business Development									
Agency Revenue Fund	10,800	10,800							
TOTAL	10,800	10,800							

EXISTING BUSINESS DEVELOPMENT

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$67,262,416 and Restricted Fund appropriations by \$8,873,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2008-2010 based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Existing Business Development, Restricted Funds of \$10,800 in fiscal year 2007-2008.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

D - Department of Education

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D - Department of Education

Operating Budget

Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	1,608,400	1,608,400		1,525,000	1,525,000		1,525,000	1,616,000	91,000
General Fund	3,753,906,000	3,753,906,000		3,793,472,800	3,844,755,900	51,283,100	3,815,385,500	3,907,896,300	92,510,800
Restricted Funds	9,536,400	9,536,400		4,831,300	4,831,300		4,831,300	4,831,300	
Federal Funds	726,621,400	726,621,400		726,546,800	726,546,800		726,546,800	726,546,800	
Regular Total Funds	4,491,672,200	4,491,672,200		4,526,375,900	4,577,659,000	51,283,100	4,548,288,600	4,640,890,400	92,601,800
Use of Continuing	21,958,900	21,958,900							
TOTAL FUNDS	4,513,631,100	4,513,631,100		4,526,375,900	4,577,659,000	51,283,100	4,548,288,600	4,640,890,400	92,601,800

II. EXPENDITURE CATEGORY

Personnel Costs	74,344,400	74,344,400		73,214,200	73,214,200		74,569,200	74,569,200	
Operating Expenses	31,393,500	31,393,500		31,280,200	31,280,200		31,307,200	31,307,200	
Grants, Loans, Benefits	4,400,268,200	4,400,268,200		4,421,881,500	4,473,164,600	51,283,100	4,441,183,200	4,534,653,000	93,469,800
Debt Service	7,625,000	7,625,000					1,229,000	361,000	(868,000)
TOTAL EXPENDITURES	4,513,631,100	4,513,631,100		4,526,375,900	4,577,659,000	51,283,100	4,548,288,600	4,640,890,400	92,601,800

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund (Tobacco)	1,608,400	1,608,400		1,525,000	1,525,000		1,525,000	1,525,000	
General Fund	3,753,906,000	3,753,906,000		3,750,986,300	3,748,486,300	(2,500,000)	3,718,846,200	3,716,346,200	(2,500,000)
Restricted Funds	9,536,400	9,536,400		4,831,300	4,831,300		4,831,300	4,831,300	
Federal Funds	726,621,400	726,621,400		726,546,800	726,546,800		726,546,800	726,546,800	
Regular Total Funds	4,491,672,200	4,491,672,200		4,483,889,400	4,481,389,400	(2,500,000)	4,451,749,300	4,449,249,300	(2,500,000)
Use of Continuing	21,958,900	21,958,900							
TOTAL BASE LEVEL	4,513,631,100	4,513,631,100		4,483,889,400	4,481,389,400	(2,500,000)	4,451,749,300	4,449,249,300	(2,500,000)

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund (Tobacco)							91,000	91,000	
General Fund				42,486,500	96,269,600	53,783,100	96,539,300	191,550,100	95,010,800
TOTAL ADDITIONAL				42,486,500	96,269,600	53,783,100	96,539,300	191,641,100	95,101,800

D - Department of Education**Capital Budget****Summary Totals**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				18,250,000	6,000,000	(12,250,000)			
Investment Income				675,000	675,000		675,000	675,000	
TOTAL CAPITAL				18,925,000	6,675,000	(12,250,000)	675,000	675,000	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY**DEPARTMENT OF EDUCATION OPERATING BUDGET**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Executive Policy and Management	679,800	679,800		702,600	702,600		729,000	729,000	
Operations and Support Services	69,731,800	69,731,800		54,513,300	57,013,300	2,500,000	55,963,400	57,595,400	1,632,000
Learning and Results Services	1,534,708,500	1,534,708,500		1,556,296,900	1,561,636,700	5,339,800	1,603,690,100	1,609,029,900	5,339,800
Support Education Excellence in Kentucky (SEEK) Program	2,886,552,100	2,886,552,100		2,914,863,100	2,958,306,400	43,443,300	2,887,906,100	2,973,536,100	85,630,000
Regular Appropriation	4,491,672,200	4,491,672,200		4,526,375,900	4,577,659,000	51,283,100	4,548,288,600	4,640,890,400	92,601,800

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

DEPARTMENT OF EDUCATION OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
GENERAL FUND (TOBACCO)									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Operations and Support Services								91,000	91,000
Learning and Results Services	1,608,400	1,608,400		1,525,000	1,525,000		1,525,000	1,525,000	
Regular Appropriation	1,608,400	1,608,400		1,525,000	1,525,000		1,525,000	1,616,000	91,000

GENERAL FUND (TOBACCO)

CONTINUED RESERVE SPENDING SUMMARY BY APPROPRIATION UNIT

Learning and Results Services	1,258,800	1,258,800							
Reserve Spending	1,258,800	1,258,800							

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

DEPARTMENT OF EDUCATION OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
GENERAL FUND									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Executive Policy and Management	679,800	679,800		702,600	702,600		729,000	729,000	
Operations and Support Services	54,148,800	54,148,800		43,775,400	46,275,400	2,500,000	45,225,500	46,766,500	1,541,000
Learning and Results Services	812,525,300	812,525,300		834,131,700	839,471,500	5,339,800	881,524,900	886,864,700	5,339,800
Support Education Excellence in Kentucky (SEEK) Program	2,886,552,100	2,886,552,100		2,914,863,100	2,958,306,400	43,443,300	2,887,906,100	2,973,536,100	85,630,000
Regular Appropriation	3,753,906,000	3,753,906,000		3,793,472,800	3,844,755,900	51,283,100	3,815,385,500	3,907,896,300	92,510,800

GENERAL FUND

CONTINUED RESERVE SPENDING SUMMARY BY APPROPRIATION UNIT

Learning and Results Services	20,700,100	20,700,100	
Reserve Spending	20,700,100	20,700,100	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

DEPARTMENT OF EDUCATION OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
RESTRICTED FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Operations and Support Services	7,055,200	7,055,200		2,210,100	2,210,100		2,210,100	2,210,100	
Learning and Results Services	2,481,200	2,481,200		2,621,200	2,621,200		2,621,200	2,621,200	
Regular Appropriation	9,536,400	9,536,400		4,831,300	4,831,300		4,831,300	4,831,300	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

DEPARTMENT OF EDUCATION OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
FEDERAL FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Operations and Support Services	8,527,800	8,527,800		8,527,800	8,527,800		8,527,800	8,527,800	
Learning and Results Services	718,093,600	718,093,600		718,019,000	718,019,000		718,019,000	718,019,000	
Regular Appropriation	726,621,400	726,621,400		726,546,800	726,546,800		726,546,800	726,546,800	

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D - Department of Education**Operating Budget****Executive Policy and Management**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	679,800	679,800		702,600	702,600		729,000	729,000	
Regular Total Funds	679,800	679,800		702,600	702,600		729,000	729,000	
Use of Continuing									
TOTAL FUNDS	679,800	679,800		702,600	702,600		729,000	729,000	
II. EXPENDITURE CATEGORY									
Personnel Costs	578,900	578,900		596,100	596,100		612,500	612,500	
Operating Expenses	100,900	100,900		106,500	106,500		116,500	116,500	
TOTAL EXPENDITURES	679,800	679,800		702,600	702,600		729,000	729,000	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	679,800	679,800		679,800	679,800		679,800	679,800	
Regular Total Funds	679,800	679,800		679,800	679,800		679,800	679,800	
Use of Continuing									
TOTAL BASE LEVEL	679,800	679,800		679,800	679,800		679,800	679,800	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				22,800	22,800		49,200	49,200	
TOTAL ADDITIONAL				22,800	22,800		49,200	49,200	
V. ADDITIONAL BUDGET ITEMS									
1 DC Defined Calculation									
ABREDA0DC00	Provides funds to support a 1% increment, retirement, and health insurance for 6 full-time positions and 1 interim position.								
General Fund				17,200	17,200		33,600	33,600	
Project Total				17,200	17,200		33,600	33,600	
2 GB Restore Operating Funds									
ABREDA00001	Provides additional funds for operating costs.								
General Fund				5,600	5,600		15,600	15,600	
Project Total				5,600	5,600		15,600	15,600	
TOTAL ADDITIONAL				22,800	22,800		49,200	49,200	

EXECUTIVE POLICY AND MANAGEMENT

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Employment of Personnel: Notwithstanding KRS 18A.115, the Department of Education may fill, through memoranda of agreement, not more than 50 percent of its existing authorized positions below the division director level with individuals employed as school administrators and educators in Kentucky."

"Employment of Leadership Personnel: Notwithstanding KRS 18A.005 to 18A.200, the Kentucky Board of Education shall continue to have sole authority to determine the employees of the Department of Education who are exempt from the classified service and to set their compensation comparable to the competitive market."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

D - Department of Education**Operating Budget****Operations and Support Services**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)								91,000	91,000
General Fund	54,148,800	54,148,800		43,775,400	46,275,400	2,500,000	45,225,500	46,766,500	1,541,000
Restricted Funds	7,055,200	7,055,200		2,210,100	2,210,100		2,210,100	2,210,100	
Federal Funds	8,527,800	8,527,800		8,527,800	8,527,800		8,527,800	8,527,800	
Regular Total Funds	69,731,800	69,731,800		54,513,300	57,013,300	2,500,000	55,963,400	57,595,400	1,632,000
Use of Continuing									
TOTAL FUNDS	69,731,800	69,731,800		54,513,300	57,013,300	2,500,000	55,963,400	57,595,400	1,632,000

II. EXPENDITURE CATEGORY

Personnel Costs	10,039,200	10,039,200		7,092,200	7,092,200		7,313,300	7,313,300	
Operating Expenses	24,039,800	24,039,800		24,393,300	24,393,300		24,393,300	24,393,300	
Grants, Loans, Benefits	28,027,800	28,027,800		23,027,800	25,527,800	2,500,000	23,027,800	25,527,800	2,500,000
Debt Service	7,625,000	7,625,000					1,229,000	361,000	(868,000)
TOTAL EXPENDITURES	69,731,800	69,731,800		54,513,300	57,013,300	2,500,000	55,963,400	57,595,400	1,632,000

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	54,148,800	54,148,800		43,775,400	43,775,400		43,996,500	43,996,500	
Restricted Funds	7,055,200	7,055,200		2,210,100	2,210,100		2,210,100	2,210,100	
Federal Funds	8,527,800	8,527,800		8,527,800	8,527,800		8,527,800	8,527,800	
Regular Total Funds	69,731,800	69,731,800		54,513,300	54,513,300		54,734,400	54,734,400	
Use of Continuing									
TOTAL BASE LEVEL	69,731,800	69,731,800		54,513,300	54,513,300		54,734,400	54,734,400	

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund (Tobacco)								91,000	91,000
General Fund					2,500,000	2,500,000	1,229,000	2,770,000	1,541,000
TOTAL ADDITIONAL					2,500,000	2,500,000	1,229,000	2,861,000	1,632,000

V. ADDITIONAL BUDGET ITEMS**1 NEW Debt Service**

ABREDB00012 Provides debt service to support \$4M in bonds for the Student Data Mgt Sys - Phase 2.

General Fund							1,229,000	270,000	(959,000)
Project Total							1,229,000	270,000	(959,000)

D - Department of Education**Operating Budget****Operations and Support Services**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2 NEW Debt Service - FFA Leadership Training Center								
ABREDB00013 Provides debt service for \$2M in bonds to support the FFA Leadership Training Center Renovation.								
General Fund (Tobacco)							91,000	91,000
Project Total							91,000	91,000
3 CONT School Technology in Coal Counties								
ABREDB00014 Provides funding for the Coal County Computing program.								
General Fund				2,500,000	2,500,000		2,500,000	2,500,000
Project Total				2,500,000	2,500,000		2,500,000	2,500,000
TOTAL ADDITIONAL				2,500,000	2,500,000	1,229,000	2,861,000	1,632,000

OPERATIONS AND SUPPORT SERVICES

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs:

"Debt Service: Included in the above General Fund appropriation is \$1,229,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly provides \$2,500,000 in each fiscal year from the Local Government Economic Development Fund to support the Coal County Computing program.

The General Assembly provides additional General Fund (Tobacco) support totaling \$91,000 in fiscal year 2009-2010 for debt service for new bonds as set forth in Part II of this Act.

The General Assembly amends the Part I, Operating Budget, to amend the language provision relating to **"Debt Service"**. The General Fund debt service amount is decreased from \$1,229,000 to \$270,000 in fiscal year 2009-2010 and an additional \$91,000 in General Fund (Tobacco) is added. A provision is also included that it is the intent of the General Assembly that the debt service supported by General Fund (Tobacco) funds in the 2008-2010 fiscal biennium, shall be supported by the General Fund in the 2010-2012 fiscal biennium and thereafter.

OPERATIONS AND SUPPORT SERVICES

The General Assembly amends the Part I, Operating Budget, to include the following language provisions:

"School Technology in Coal Counties: Notwithstanding KRS 42.4588(2) and (4), included in the above General Fund appropriation is \$2,500,000 in each fiscal year from the Local Government Economic Development Fund for the purpose of enhancing education technology in local school districts within coal-producing counties. The Commissioner of Education shall use the appropriation in this subsection to continue the Coal County Computing program in conjunction with the Cabinet for Economic Development through its Department of Commercialization and Innovation."

"Education Technology Program: Included in the above General Fund appropriation is \$19,500,000 in each fiscal year for the Education Technology Program."

The General Assembly amends Part II, Capital Budget, to not provide Bond Funds totaling \$15,000,000 for the On-Line Assessment project in fiscal year 2008-2009.

The General Assembly amends Part II, Capital Budget, to not provide Bond Funds totaling \$3,250,000 for the Knowledge Management Portal/KIDS project in fiscal year 2008-2009.

The General Assembly adds the following Part II, Capital Projects:

FFA Leadership Camp Renovation - \$2,000,000 in Bond Funds in fiscal year 2008-2009.

Student Data Management System - Phase 2 - \$4,000,000 in Bond Funds in fiscal year 2008-2009.

D - Department of Education**Capital Budget****Operations and Support Services**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Bond Funds				18,250,000	6,000,000	(12,250,000)			
Investment Income				675,000	675,000		675,000	675,000	
TOTAL CAPITAL				18,925,000	6,675,000	(12,250,000)	675,000	675,000	
II. CAPITAL PROJECTS									
1	On-Line Assessment								
PRJEDB01662									
Bond Funds				15,000,000		(15,000,000)			
Project Total				15,000,000		(15,000,000)			
2	Knowledge Management Portal/KIDS								
PRJEDB01660									
Bond Funds				3,250,000		(3,250,000)			
Project Total				3,250,000		(3,250,000)			
3	Maintenance Pool - 2008-2010								
PRJEDB01659									
Investment Income				675,000	675,000		675,000	675,000	
Project Total				675,000	675,000		675,000	675,000	
4	Student Data Management System - Phase 2								
PRJEDB01661									
Bond Funds					4,000,000	4,000,000			
Project Total					4,000,000	4,000,000			
5	FFA Leadership Training Center Renovation								
PRJEDB05003									
Bond Funds					2,000,000	2,000,000			
Project Total					2,000,000	2,000,000			
TOTAL CAPITAL				18,925,000	6,675,000	(12,250,000)	675,000	675,000	

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D - Department of Education**Operating Budget****Learning and Results Services**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	1,608,400	1,608,400		1,525,000	1,525,000		1,525,000	1,525,000	
General Fund	812,525,300	812,525,300		834,131,700	839,471,500	5,339,800	881,524,900	886,864,700	5,339,800
Restricted Funds	2,481,200	2,481,200		2,621,200	2,621,200		2,621,200	2,621,200	
Federal Funds	718,093,600	718,093,600		718,019,000	718,019,000		718,019,000	718,019,000	
Regular Total Funds	1,534,708,500	1,534,708,500		1,556,296,900	1,561,636,700	5,339,800	1,603,690,100	1,609,029,900	5,339,800
Use of Continuing	21,958,900	21,958,900							
TOTAL FUNDS	1,556,667,400	1,556,667,400		1,556,296,900	1,561,636,700	5,339,800	1,603,690,100	1,609,029,900	5,339,800
II. EXPENDITURE CATEGORY									
Personnel Costs	63,726,300	63,726,300		65,525,900	65,525,900		66,643,400	66,643,400	
Operating Expenses	7,252,800	7,252,800		6,780,400	6,780,400		6,797,400	6,797,400	
Grants, Loans, Benefits	1,485,688,300	1,485,688,300		1,483,990,600	1,489,330,400	5,339,800	1,530,249,300	1,535,589,100	5,339,800
TOTAL EXPENDITURES	1,556,667,400	1,556,667,400		1,556,296,900	1,561,636,700	5,339,800	1,603,690,100	1,609,029,900	5,339,800
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	1,608,400	1,608,400		1,525,000	1,525,000		1,525,000	1,525,000	
General Fund	812,525,300	812,525,300		798,372,900	795,872,900	(2,500,000)	798,902,700	796,402,700	(2,500,000)
Restricted Funds	2,481,200	2,481,200		2,621,200	2,621,200		2,621,200	2,621,200	
Federal Funds	718,093,600	718,093,600		718,019,000	718,019,000		718,019,000	718,019,000	
Regular Total Funds	1,534,708,500	1,534,708,500		1,520,538,100	1,518,038,100	(2,500,000)	1,521,067,900	1,518,567,900	(2,500,000)
Use of Continuing	21,958,900	21,958,900							
TOTAL BASE LEVEL	1,556,667,400	1,556,667,400		1,520,538,100	1,518,038,100	(2,500,000)	1,521,067,900	1,518,567,900	(2,500,000)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				35,758,800	43,598,600	7,839,800	82,622,200	90,462,000	7,839,800
TOTAL ADDITIONAL				35,758,800	43,598,600	7,839,800	82,622,200	90,462,000	7,839,800
V. ADDITIONAL BUDGET ITEMS									
1	DC	Defined Calculation							
ABREDD0DC00 Provides funds for the increase in health ins. for local school employees.									
General Fund				34,600,000	27,600,000	(7,000,000)	80,858,700	73,858,700	(7,000,000)
Project Total				34,600,000	27,600,000	(7,000,000)	80,858,700	73,858,700	(7,000,000)
2 CONT Kentucky School for the Blind									
ABREDD00061 Provides funds to support personnel and operations at the Kentucky School for the Blind.									
General Fund				566,800	566,800		866,600	866,600	
Project Total				566,800	566,800		866,600	866,600	

D - Department of Education**Operating Budget****Learning and Results Services**

			Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
			Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
3	CONT	Kentucky School for the Deaf									
ABREDD00062 Provides funds to support personnel and operations at the Kentucky School for the Deaf.											
General Fund						592,000	592,000		896,900	896,900	
Project Total						592,000	592,000		896,900	896,900	
4	NEW	Georgia Chaffee Teenage Parent Program									
ABREDD00063 Provide funds for the Georgia Chaffee Teenage Parent Program.											
General Fund							250,000	250,000		250,000	250,000
Project Total							250,000	250,000		250,000	250,000
5	CONT	Restore Safe Schools Funding									
ABREDD00066 Provides funds for the Safe Schools Program.											
General Fund							400,000	400,000		400,000	400,000
Project Total							400,000	400,000		400,000	400,000
6	CONT	Restore Textbook Funding									
ABREDD00067 Provides funds to maintain the Textbooks Program at fiscal year 2007-2008 levels.											
General Fund							12,689,800	12,689,800		12,689,800	12,689,800
Project Total							12,689,800	12,689,800		12,689,800	12,689,800
7	CONT	Read to Achieve									
ABREDD00072 Provides Coal Severance Funds for the Read to Achieve program.											
General Fund							1,500,000	1,500,000		1,500,000	1,500,000
Project Total							1,500,000	1,500,000		1,500,000	1,500,000
TOTAL ADDITIONAL						35,758,800	43,598,600	7,839,800	82,622,200	90,462,000	7,839,800

LEARNING AND RESULTS SERVICES

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Funding for Employer Health and Life Insurance: If the costs for health insurance or life insurance coverage for employees of local school districts exceed the levels of appropriated funds, any unexpended Support Education Excellence in Kentucky appropriations may be used to offset the unbudgeted costs. Any transfer shall be subject to approval of the Governor upon the written recommendation of the Secretary of the Finance and Administration Cabinet pursuant to the written request of the Commissioner of Education. The per-month per-employee administrative assessment shall be remitted to the Personnel Cabinet by the Department of Education from the General Fund appropriation for local school district health and life insurance."

"Kentucky School for the Blind and Kentucky School for the Deaf: Included in the above General Fund appropriation is \$7,223,900 in fiscal year 2008-2009 and \$7,523,700 in fiscal year 2009-2010 for the Kentucky School for the Blind, and \$9,896,200 in fiscal year 2008-2009 and \$10,201,100 in fiscal year 2009-2010 for the Kentucky School for the Deaf."

"Kentucky Education Technology System: (a) Area Vocational Education Centers shall be fully eligible to participate in the Kentucky Education Technology System. Notwithstanding KRS 157.660, the School Facilities Construction Commission, in consultation with the Kentucky Board of Education and the Department of Education, shall develop administrative regulations which identify a methodology by which the average daily attendance for Area Vocational Education Centers may be equated to the average daily attendance of other local school districts in order that they may receive their respective distributions of these funds.

LEARNING AND RESULTS SERVICES

(b) The School for the Deaf and the School for the Blind shall be fully eligible, along with local school districts, to participate in the Kentucky Education Technology System in a manner that takes into account the special needs of the students of these two schools."

"Family Resource and Youth Services Centers: Funds appropriated to establish and support Family Resource and Youth Services Centers shall be transferred in fiscal year 2008-2009 and in fiscal year 2009-2010 to the Cabinet for Health and Family Services consistent with KRS 156.497. The Cabinet for Health and Family Services is authorized to use, for administrative purposes, no more than three percent of the total funds transferred from the Department of Education for the Family Resource and Youth Services Centers. If a certified person is employed as a director or coordinator of a Family Resource and Youth Services Center, that person shall retain his or her status as a certified employee of the school district.

If 70 percent or more of the funding level provided by the state is utilized to support the salary of the director of a center, that center shall provide a report to the Cabinet for Health and Family Services identifying the salary of the director. The Cabinet for Health and Family Services shall transmit any reports received from Family Resource and Youth Services Centers pursuant to this paragraph to the Legislative Research Commission."

"Health Insurance: Included in the above General Fund appropriation is \$538,455,000 in fiscal year 2008-2009 and \$584,713,700 in fiscal year 2009-2010 for employer contributions for health insurance and the contribution to the health reimbursement account for employees waiving coverage."

"Learning and Results Services Programs: Notwithstanding KRS 156.265, included in the above General Fund appropriation are the following allocations for the 2008-2010 fiscal biennium:

- (a) \$13,228,700 in each fiscal year for the Extended School Services Program;
- (b) \$57,145,000 in each fiscal year for the Family Resource and Youth Services Centers Program;
- (c) \$75,127,000 in each fiscal year for the Preschool Program;
- (d) \$6,242,700 in each fiscal year for the Professional Development Program;
- (e) \$4,309,300 in each fiscal year for the Safe Schools Program;
- (f) \$1,400,000 in each fiscal year for ACT and WorkKeys testing;
- (g) \$9,010,300 in each fiscal year for the Textbooks Program;
- (h) \$1,400,000 in each fiscal year for the Collaborative Center for Literacy Development;
- (i) \$8,369,200 in each fiscal year for the Commonwealth Accountability Testing System (CATS);
- (j) \$616,500 in each fiscal year for the Blind/Deaf Residential Travel Program;
- (k) \$2,100,000 in each fiscal year for the Community Education Program;

LEARNING AND RESULTS SERVICES

- (l) \$720,900 in each fiscal year for the Dropout Prevention Program;
- (m) \$23,558,100 in each fiscal year for the Early Reading Incentive Grant/Read to Achieve Program;
- (n) \$7,121,500 in each fiscal year for the Gifted and Talented Program;
- (o) \$4,276,700 in each fiscal year for the School Food Services match;
- (p) \$10,962,100 in each fiscal year for the State Agency Children Program;
- (q) \$1,600,000 in each fiscal year for the Teacher Academies Program;
- (r) \$1,886,700 in each fiscal year for the Teacher Recruitment and Retention Program;
- (s) \$800,000 in each fiscal year for the Virtual Learning Program;
- (t) \$11,585,700 in each fiscal year for the Locally Operated Vocational Schools;
- (u) \$610,300 in each fiscal year for the Writing Program;
- (v) \$500,000 in each fiscal year for the Every1 Reads Program;
- (w) \$2,378,700 in each fiscal year for Local School District Life Insurance;
- (x) \$484,400 in each fiscal year for the Elementary Arts and Humanities Program;
- (y) \$6,900,000 in each fiscal year for the Mathematics Achievement Fund;
- (z) \$387,500 in each fiscal year for the Middle School Academic Center;
- (aa) \$381,500 in each fiscal year for the Leadership and Mentor Fund;
- (ab) \$994,700 in each fiscal year for the Professional Growth Fund;
- (ac) \$500,000 in each fiscal year for the Save the Children/Rural Literacy Program;
- (ad) The allocations referenced in subsection (5) of this budget unit for Local School District Health Insurance;
- (ae) \$100,000 in each fiscal year for a specialized tutoring program for students with learning disabilities from Appalachian counties;
- (af) \$430,000 in each fiscal year for the Partnership for Student Success Program;
- (ag) \$5,649,800 in each fiscal year for the Highly Skilled Educator Program; and
- (ah) \$1,507,900 in each fiscal year for the Commonwealth School Improvement Fund."

"Program Flexibility: Notwithstanding KRS 157.226(2) and (3), 157.3175(3) and (4), and 160.345(8) with regard to the state allocation, four programs (Professional Development, Extended School Services, Textbooks, and Safe Schools) shall continue to permit the state and local school districts additional flexibility in the distribution of program funds while still addressing the governing statutes and serving the need and the intended student population."

"Textbook Adoption: Notwithstanding KRS 156.400, the Commissioner of Education may delay the adoption of textbooks or combine two groups for adoption."

LEARNING AND RESULTS SERVICES

"Publishing Requirements: Notwithstanding KRS 158.6453(7), 160.463, and 424.220, public availability of the school district's complete annual financial statement and the school report card shall be made by publishing the documents in the newspaper of the largest general circulation in the county, electronically on the Internet, or by printed copy at a prearranged site at the main branch of the public library within the school district. If publication on the Internet or by printed copy at the public library is chosen, the superintendent shall be directed to publish notification in the newspaper of the largest circulation in the county as to the location where the document can be viewed by the public. The notification shall include the address of the library or the electronic address of the Web site on the Internet where the documents can be viewed."

"Locally Operated Vocational Programs: Notwithstanding KRS 157.069, the supplemental funding distribution shall include Category II and III programs in districts established after June 21, 2001, with state assistance, if approved by the Commissioner of Education."

"Coordination With Head Start: Each local district shall work with Head Start and other existing preschool programs to avoid duplication of services and programs, to avoid supplanting federal funds, and to maximize Head Start funds in order to serve as many four year old children as possible, and shall maintain certification from the Head Start director that the Head Start Program is fully utilized. If a local district fails to comply with the requirements of this section, the Commissioner of the Department of Education shall withhold preschool funding for an amount equal to the number of Head Start eligible children served in the district who would have been eligible to be served by Head Start under the full utilization certification required under this subsection. The Commissioner of the Department of Education shall resolve any disputes and make a determination of the district's compliance with the full utilization requirement."

"Highly Skilled Educators: Notwithstanding KRS 158.6455(3), 158.782, and 160.350(3), the Kentucky Department of Education shall have the authority to expend moneys appropriated for the Highly Skilled Education Assistance Program on intervention services that may be required by the Federal No Child Left Behind Act of 2001 (Pub. L. 107-110)."

"Commonwealth School Improvement Fund: Notwithstanding KRS 158.805, the Commissioner of Education shall be authorized to use the Commonwealth School Improvement Fund to provide support services to schools needing assistance under KRS 158.6455 or in order to meet the requirements of No Child Left Behind."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

LEARNING AND RESULTS SERVICES

The General Assembly provides General Fund support from the Local Government Economic Development Fund totaling \$3,000,000 in each fiscal year for the Read to Achieve Program.

The General Assembly increases General Fund support totaling \$12,689,800 in each fiscal year to restore base reductions in the Textbooks Program.

The General Assembly provides additional General Fund support totaling \$400,000 in each fiscal year for the Safe Schools Program.

The General Assembly provides additional General Fund support totaling \$250,000 in each fiscal year for the Georgia Chaffee Teenage Parent Program.

The General Assembly provides General Fund support totaling \$531,455,000 in fiscal year 2008-2009 and \$577,713,700 in fiscal year 2009-2010 for employer contributions for health insurance contributions for local school district personnel.

The General Assembly amends the Part I, Operating Budget, language provision relating to "**Program Flexibility**" by allowing funds to be transferred to the Preschool program from the Extended School Services, Professional Development, Textbooks, and Safe Schools programs.

The General Assembly amends the Part I, Operating Budget, to include the following language provisions:

"Surplus Property: Notwithstanding KRS 45A.045, 45.777, and 56.463, any funds received by the Commonwealth from the disposal of any surplus property at the Kentucky School for the Blind and the Kentucky School for the Deaf shall be deposited in a restricted account and shall not be expended without appropriation authority granted by the General Assembly."

"Allocation of Safe School Funds: Notwithstanding KRS 158.446, the Center for School Safety shall develop and implement allotment policies for all moneys received for the purposes of KRS 158.440, 158.441, 158.442, 158.445, and 158.446."

"Advisory Council for Gifted and Talented Education: Notwithstanding KRS 158.648(1), a member of the State Advisory Council for Gifted and Talented Education may be reappointed but shall not serve more than three consecutive terms. Notwithstanding KRS 158.648(1), a member of the Kentucky Association for Gifted Education shall be a voting member of the State Advisory Council for Gifted and Talented Education."

LEARNING AND RESULTS SERVICES

"Program Administration: The Department of Education is authorized to expend grant funds for costs related to the administration of programs for which it is responsible. The department may expend no more than five percent of each grant for these purposes and these expenditures shall be approved by the Office of the State Budget Director."

"Local District Grant Fund Carry Forward: Notwithstanding KRS 45.229, up to ten percent of any non-SEEK state grant fund, other than any state grant fund for the Read to Achieve Program, appropriated to the Department of Education and disbursed to a local district that is unexpended during fiscal year 2008-2009 shall be carried forward to fiscal year 2009-2010. Notwithstanding KRS 45.229, any state grant fund for the Read to Achieve Program in fiscal year 2008-2009 shall be carried forward to fiscal year 2009-2010."

"Funds Transfer: The Commissioner of the Department of Education may transfer any available funds between the Professional Growth Fund and the Professional Development Leadership Mentor Fund as needed to satisfy the demand and need to support respective teacher programs."

"ACT/WorkKeys Testing: Notwithstanding KRS 158.6453, the payment by the Department of Education of the cost of the WorkKeys assessment for fiscal year 2008-2009 and fiscal year 2009-2010 shall be limited to students in grade 12. Notwithstanding KRS 158.6459, the payment of a second ACT examination by the Department of Education for students participating in accelerated learning for fiscal year 2008-2009 and fiscal year 2009-2010 shall be limited to students eligible for free or reduced-price meals. The school shall maintain the student's learning plan and provide evidence of consultation among parents, teachers, and the student."

"Georgia Chaffee Teenage Parent Program: Included in the above General Fund appropriation is \$250,000 in each fiscal year for the Georgia Chaffee Teenage Parent Program."

The General Assembly amends the Part I, Operating Budget, language provision relating to **"Learning and Results Services Programs"** to:

- Delete the amount \$31,859,500 and replace it with \$13,228,700 for the Extended School Services Program;
- Delete the amount \$15,034,700 and replace it with \$6,242,700 for the Professional Development Program;
- Delete the amount \$10,378,300 and replace it with \$4,709,300 for the Safe Schools Program;
- Delete the amount \$23,558,100 and replace it with \$22,558,100 for the Read to Achieve Program;
- Delete the amount \$2,494,700 and replace it with \$994,700 for the Professional Growth Fund.

LEARNING AND RESULTS SERVICES

The General Assembly amends the Part I, Operating Budget, language provision relating to "**Health Insurance**" to delete the amounts "\$538,455,000" in fiscal year 2008-2009 and "\$584,713,700" in fiscal year 2009-2010 and to replace them with "\$531,455,000" in fiscal year 2008-2009 and "\$577,713,700" in fiscal year 2009-2010.

The General Assembly deletes the Part I, Operating Budget, language provision relating to "**Textbook Adoption**".

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D - Department of Education**Operating Budget****Support Education Excellence in Kentucky (SEEK) Program**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,886,552,100	2,886,552,100		2,914,863,100	2,958,306,400	43,443,300	2,887,906,100	2,973,536,100	85,630,000
Regular Total Funds	2,886,552,100	2,886,552,100		2,914,863,100	2,958,306,400	43,443,300	2,887,906,100	2,973,536,100	85,630,000
Use of Continuing									
TOTAL FUNDS	2,886,552,100	2,886,552,100		2,914,863,100	2,958,306,400	43,443,300	2,887,906,100	2,973,536,100	85,630,000
II. EXPENDITURE CATEGORY									
Grants, Loans, Benefits	2,886,552,100	2,886,552,100		2,914,863,100	2,958,306,400	43,443,300	2,887,906,100	2,973,536,100	85,630,000
TOTAL EXPENDITURES	2,886,552,100	2,886,552,100		2,914,863,100	2,958,306,400	43,443,300	2,887,906,100	2,973,536,100	85,630,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,886,552,100	2,886,552,100		2,908,158,200	2,908,158,200		2,875,267,200	2,875,267,200	
Regular Total Funds	2,886,552,100	2,886,552,100		2,908,158,200	2,908,158,200		2,875,267,200	2,875,267,200	
Use of Continuing									
TOTAL BASE LEVEL	2,886,552,100	2,886,552,100		2,908,158,200	2,908,158,200		2,875,267,200	2,875,267,200	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				6,704,900	50,148,200	43,443,300	12,638,900	98,268,900	85,630,000
TOTAL ADDITIONAL				6,704,900	50,148,200	43,443,300	12,638,900	98,268,900	85,630,000
V. ADDITIONAL BUDGET ITEMS									
1 DC Defined Calculation									
ABREDS0DC00 Provides funds for retirement match for teacher rank and step increases.									
General Fund				3,882,600	3,882,600		9,959,300	9,959,300	
Project Total				3,882,600	3,882,600		9,959,300	9,959,300	
2 GB Additional Equalization Funding									
ABREDS00006 Provides funding for additional districts in the Equalized Facility Funding Program and the Retroactive Equalized Facility Funding Program.									
General Fund				2,822,300	1,435,100	(1,387,200)	2,679,600	2,305,700	(373,900)
Project Total				2,822,300	1,435,100	(1,387,200)	2,679,600	2,305,700	(373,900)
3 CONT Stipends for National Board Certified Teachers									
ABREDS00008 Provides funds for projected increases in the number of teachers eligible for stipends.									
General Fund					246,000	246,000		496,000	496,000
Project Total					246,000	246,000		496,000	496,000

D - Department of Education**Operating Budget****Support Education Excellence in Kentucky (SEEK) Program**

			Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
			Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
4	NEW	Salary Increases - Local School District Personnel									
ABREDS00010	Provides funds for a salary increase of 1% in FY09 and 1% in FY10 and for the associated retirement match for certified staff.										
General Fund							38,180,700	38,180,700		75,995,400	75,995,400
Project Total							38,180,700	38,180,700		75,995,400	75,995,400
5	CONT	SEEK Calculation Adjustment									
ABREDS00011	Provides funds for a calculation adjustment to match projections of assessment and average daily attendance.										
General Fund							6,403,800	6,403,800		9,512,500	9,512,500
Project Total							6,403,800	6,403,800		9,512,500	9,512,500
TOTAL ADDITIONAL						6,704,900	50,148,200	43,443,300	12,638,900	98,268,900	85,630,000

SUPPORT EDUCATION EXCELLENCE IN KENTUCKY (SEEK) PROGRAM

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The Executive Branch Budget supporting documents provide a SEEK per pupil guarantee (including \$100 per pupil capital outlay) of \$3,822 in each fiscal year of the biennium based on a projected average daily attendance (ADA) totaling 591,605 students in fiscal year 2008-2009 and 594,619 students in fiscal year 2009-2010.

The Executive Branch Budget supporting documents incorporate a consensus estimate reached by the Kentucky Department of Education and the Office of State Budget Director projecting a statewide assessed valuation of \$274,747,386,900 in fiscal year 2008-2009 and \$288,772,633,500 in fiscal year 2009-2010.

The Executive Branch Budget supporting documents incorporate an amount of \$713,000 as 150% of the statewide average per pupil assessment in each fiscal year of the biennium for programs eligible for equalization (Tier I component of SEEK, Facilities Support Program of Kentucky, Equalized Growth Nickel, Retroactive Equalized Facility Funding, and Equalized Facility Funding).

The Executive Branch Budget supporting documents continue the modified hold-harmless guarantee in fiscal biennium 2008-2010 which provides that every local school district will receive at least the same amount of SEEK state funding per pupil as was received in fiscal year 1991-1992.

The Executive Branch Budget supporting documents include the continuation of the factor (.15) to be applied to the SEEK base per pupil guarantee to determine the "at-risk" funds to be included in the SEEK funding formula in fiscal biennium 2008-2010.

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The Executive Branch Budget supporting documents include the continuation of the factor (.096) to be applied to the SEEK base per pupil guarantee to determine the limited English proficiency funds to be included in the SEEK funding formula in fiscal biennium 2008-2010.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Common School Fund Earnings: Accumulated earnings for the Common School Fund shall be transferred in each fiscal year to the SEEK Program."

"Base SEEK Allotments: Notwithstanding KRS 157.420(2), the above appropriation includes \$2,050,125,800 in fiscal year 2008-2009 and \$2,034,629,900 in fiscal year 2009-2010 for the base SEEK Program as defined by KRS 157.360. Funds appropriated to the SEEK Program shall be allotted to school districts in accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall not exceed the appropriations for this purpose except as provided in this Act. Notwithstanding KRS 157.360(2)(c), included in the appropriation for the base SEEK Program is \$214,752,800 in each fiscal year for pupil transportation."

"Tier I Component: Included in the above appropriation is \$167,959,400 in fiscal year 2008-2009 and \$155,805,800 in fiscal year 2009-2010 for the Tier I component as established by KRS 157.440."

"Vocational Transportation: Included in the above appropriation is \$2,416,900 in each fiscal year for vocational transportation."

"Secondary Vocational Education: Included in the above appropriation is \$23,289,000 in each fiscal year to provide secondary vocational education in state-operated vocational schools."

"Teachers' Retirement System Employer Match: Included in the above appropriation is \$349,983,000 in fiscal year 2008-2009 and \$356,059,700 in fiscal year 2009-2010 to enable local school districts to provide the employer match for qualified employees as provided for by KRS 161.550."

"Salary Supplements for Nationally Certified Teachers: Notwithstanding KRS 157.395, included in the above appropriation is \$2,504,000 in each fiscal year for the purpose of providing salary supplements for teachers attaining certification by the National Board for Professional Teaching Standards."

"Allocation of SEEK Funds: Notwithstanding KRS 157.360(2)(c), the above appropriation to the base SEEK Program is intended to

SUPPORT EDUCATION EXCELLENCE IN KENTUCKY (SEEK) PROGRAM

provide a base guarantee of \$3,822 per student in average daily attendance in fiscal year 2008-2009 and \$3,822 per student in average daily attendance in fiscal year 2009-2010 as well as to meet the other requirements of KRS 157.360.

Funds appropriated to the SEEK Program shall be allotted to school districts in accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall not exceed the appropriations for this purpose, except as provided in this Act. The total appropriation for the SEEK Program shall be measured by, or construed as, estimates of the state expenditures required by KRS 157.310 to 157.440. If the required expenditures exceed these estimates, the Secretary of the Finance and Administration Cabinet, upon the written request of the Commissioner of Education and with the approval of the Governor, may increase the appropriation by such amount as may be available and necessary to meet, to the extent possible, the required expenditures under the cited sections of the Kentucky Revised Statutes, but any increase of the total appropriation to the SEEK Program is subject to Part III, General Provisions, of this Act and the provisions of KRS Chapter 48. If funds appropriated to the SEEK Program are insufficient to provide the amount of money required under KRS 157.310 to 157.440, allotments to local school districts may be reduced in accordance with KRS 157.430."

"Final SEEK Calculation: Notwithstanding KRS 157.410, on or before December 15 of each year, the chief state school officer shall determine the exact amount of the public common school fund to which each district is entitled, and the remainder of the amount due each district for the year shall be distributed in equal installments beginning the first month after completion of final calculation and for each successive month thereafter."

"SEEK Adjustment Factors: Funds allocated for the SEEK base and its adjustment factors that are not needed for the base or a particular adjustment factor may be allocated to other adjustment factors, if funds for that adjustment factor are not sufficient."

"Facilities Support Program of Kentucky/Equalized Nickel Levies: Included in the above appropriation is \$76,327,900 in fiscal year 2008-2009 and \$72,793,300 in fiscal year 2009-2010 to provide facilities equalization funding pursuant to KRS 157.440 and 157.620. Included in the above appropriation is \$14,105,500 in fiscal year 2008-2009 and \$13,001,200 in fiscal year 2009-2010 to provide facilities equalization funding pursuant to KRS 157.440, 157.620, and 157.621(2) and (3) for local school districts which have: (a) Levied the additional tax pursuant to KRS 157.621 for debt service and new facilities as of January 1, 2008; (b) Levied the five cents under the provisions of KRS 157.440; (c) Met the growth requirements in KRS 157.621(2) in fiscal year 2007-2008; and (d) Levied an additional nickel tax pursuant to KRS 157.621 in addition to (a) and (b) of this subsection by January 1, 2008."

"Retroactive Equalized Facility Funding: Included in the above appropriation is \$7,348,300 in fiscal year 2008-2009 and \$6,925,800 in fiscal year 2009-2010 to provide equalized facility funding to districts meeting the following eligibility requirements: A

SUPPORT EDUCATION EXCELLENCE IN KENTUCKY (SEEK) PROGRAM

local board of education that levied a tax rate subject to recall by January 1, 2008, in addition to the five cents levied pursuant to KRS 157.440(1)(b) and that committed the receipts to debt service, new facilities, or major renovations of existing facilities shall be eligible for equalization funds from the state at 150 percent of the statewide average per pupil assessment. The equalization funds shall be used as provided in KRS 157.440(1)(b)."

"Equalized Facility Funding: Included in the above appropriation is \$6,050,500 in fiscal year 2008-2009 and \$5,727,700 in fiscal year 2009-2010 to provide equalized facility funding to districts meeting the following eligibility requirements: (a) The board of education has levied at least a ten cent equivalent tax rate for building purposes or has debt service of at least a ten cent equivalent tax rate as of January 1, 2008; (b) The district has not received equalized growth facility funding as a result of 2006 Ky. Acts ch. 252, Part I, D. Department of Education, 4. Support Education Excellence in Kentucky (SEEK) Program; (c) The district will not receive retroactive equalized facility funding as set forth in this Act; and (d) The district has received approval by the Commissioner of Education. Eligible districts shall receive equalization funds from the state at 150 percent of the statewide average per pupil assessment, and these funds shall be used as provided in KRS 157.440(1)(b)."

"Instructional Days: Notwithstanding KRS 158.070, the school term for fiscal year 2008-2009 and the school term for fiscal year 2009-2010 shall include not less than the equivalent of 177 six-hour instructional days in a school calendar as approved by the Department of Education. Districts shall not be required to exceed the equivalent of 177 six-hour instructional days."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly provides a SEEK per pupil guarantee (including \$100 per pupil capital outlay) of \$3,866 in fiscal year 2008-2009 and \$3,909 in fiscal year 2009-2010 based on a projected average daily attendance (ADA) totaling 591,605 students in fiscal year 2008-2009 and 594,619 students in fiscal year 2009-2010.

The General Assembly provides General Fund support totaling \$102,445,100 in fiscal year 2008-2009 and \$98,074,000 in fiscal year 2009-2010 for the Facilities Equalization programs.

The General Assembly provides additional General Fund support totaling \$15,916,300 over the 2008-2010 fiscal biennium to adjust the SEEK calculation to match projections of assessment and average daily attendance.

The General Assembly provides additional General Fund support totaling \$38,180,700 in fiscal year 2008-2009 and \$75,995,400 in

SUPPORT EDUCATION EXCELLENCE IN KENTUCKY (SEEK) PROGRAM

fiscal year 2009-2010 to support a salary increase for local school district personnel of 1% in fiscal year 2008-2009 and and additional 1% in fiscal year 2009-2010. This also includes funding for the retirement match, payable to the Kentucky Teachers' Retirement System, associated with the salary increase for local school district certified personnel.

The General Assembly provides additional General Fund support totaling \$246,000 in fiscal year 2008-2009 and \$496,000 in fiscal year 2009-2010 to support projected increases in the number of National Board Certified Teachers qualifying for stipends.

The General Assembly modifies Part I, Operating Budget, language provisions relating to:

"Base SEEK Allotments" by deleting the amounts \$2,050,125,800 in fiscal year 2008-2009 and \$2,034,629,900 in fiscal year 2009-2010 and replacing them with \$2,297,779,600 in fiscal year 2008-2009 and \$2,312,856,500 in fiscal year 2009-2010.

"Tier I Component" by deleting the amounts \$167,959,400 in fiscal year 2008-2009 and \$155,805,800 in fiscal year 2009-2010 and replacing them with \$176,342,800 in fiscal year 2008-2009 and \$171,207,000 in fiscal year 2009-2010.

"Teachers' Retirement System Employer Match" by deleting the amounts \$349,983,000 in fiscal year 2008-2009 and \$356,059,700 in fiscal year 2009-2010 and replacing them with \$353,283,000 in fiscal year 2008-2009 and \$362,692,700 in fiscal year 2009-2010.

"Allocation of Seek Funds" by deleting the amounts \$3,882 in each fiscal year and replacing it with \$3,866 in fiscal year 2008-2009 and \$3,909 in fiscal year 2009-2010.

"Final SEEK Calculation" by deleting the date December 15 and replacing it with the date March 1.

"Facilities Support Program of Kentucky/Equalized Nickel Levies" by deleting the amounts relating to FSPK equalization of \$76,327,900 in fiscal year 2008-2009 and \$72,793,300 in fiscal year 2009-2010 and replacing them with \$76,535,400 in fiscal year 2008-2009 and \$73,040,000 in fiscal year 2009-2010 and by deleting the amounts relating to growth levy equalization of \$14,105,500 in fiscal year 2008-2009 and \$13,001,200 in fiscal year 2009-2010 and replacing them with \$14,177,300 in fiscal year 2008-2009 and \$13,015,300 in fiscal year 2009-2010.

"Retroactive Equalized Facility Funding" by deleting the amount \$7,348,300 in fiscal year 2008-2009 and \$6,925,800 in fiscal year 2009-2010 and replacing them with \$5,477,300 in fiscal year 2008-2009 and \$6,021,600 in fiscal year 2009-2010.

SUPPORT EDUCATION EXCELLENCE IN KENTUCKY (SEEK) PROGRAM

"Equalized Facility Funding" by deleting the amounts \$6,050,500 in fiscal year 2008-2009 and \$5,727,700 in fiscal year 2009-2010 and replacing them with \$6,315,000 in fiscal year 2008-2009 and \$5,997,200 in fiscal year 2009-2010; by changing the date to qualify for equalized facility funding from January 1, 2008 to February 24, 2005; by adding a provision that any district receiving equalized facility funding on the date of this Act shall continue to receive it in the 2008-2010 fiscal biennium; and by adding a provision stating that districts may not use this source of funding to support debt service payments after June 30, 2025.

"Instructional Days" by deleting the existing language and replacing it with:

"(a) Notwithstanding KRS 158.070 and 2006 Ky. Acts ch. 252, Part I, D., 4., (16), the school term for fiscal year 2007-2008 and each fiscal year thereafter shall include the equivalent of 177 six-hour instructional days and shall include no less than two six-hour instructional days in addition to those included in the 2005-2006 school calendar as approved by the Kentucky Department of Education. Districts may exceed 177 six-hour instructional days.

(b) The Commissioner of Education may approve a waiver of the requirements of paragraph (a) of this subsection for school districts that have developed and implemented innovative alternative school calendars for fiscal year 2007-2008 and for each year thereafter. The Commissioner of Education may approve a waiver of the requirements of paragraph (a) of this subsection for school districts that have experienced an unanticipated hardship in fiscal year 2007-2008.

(c) Prior to the approval of school calendars for fiscal year 2008-2009, the Kentucky Board of Education shall by administrative regulation establish procedures by which the Commissioner of Education may approve innovative alternative school calendars.

(d) No later than October 31, 2008, the Department of Education shall report to the Interim Joint Committee on Education the Kentucky Core Content Test results, norm referenced test results, EXPLORE test results, PLAN test results, and ACT test results for each school district with a school calendar of less than 177 actual school days."

The General Assembly amends the Part I, Operating Budget, to include the following language provisions:

"Use of SEEK Funds: To receive funds under the SEEK program, district number 301 shall maintain operations of school number 170 during the time this budget is in effect."

"Local School District Certified and Classified Employee Pay Policy: Notwithstanding KRS 157.420, during fiscal year 2008-2009, local school districts shall provide all certified staff and classified staff a salary or compensation increase of not less than one percent and, during fiscal year 2009-2010, local school districts shall provide all certified staff and classified staff a salary or compensation increase, in addition to the increase provided in fiscal year 2008-2009, of not less than one percent. The salary increases in fiscal year 2008-2009 and fiscal year 2009-2010 for certified staff shall be in addition to the normal rank and step increase attained

SUPPORT EDUCATION EXCELLENCE IN KENTUCKY (SEEK) PROGRAM

by certified personnel employed by local school districts. Classified staff employed by a local board of education that work less than full-time shall receive a pro rata share of the salary increase based on terms of their employment. The above increase in fiscal year 2008-2009 and fiscal year 2009-2010 for classified staff shall be in addition to a normal step increase or any increase that might result from assuming new duties or obtaining additional qualifications."

ADDITIONAL ACTIONS OF THE GENERAL ASSEMBLY

House Bill 514, Section (1), amends House Bill 406, as follows:

"...On page 51, line 15, delete '157.621(2) and (3) for local' and insert '157.621(1)(b)2..';

On page 51, delete lines 16 through 21 in their entirety;

On page 51, line 24, delete 'following eligibility' and lines 25 through 27 in their entirety and insert 'requirements of KRS 157.621(2)';

On page 52, delete lines 1 and 2 in their entirety;

On page 52, line 3, delete 'in KRS 157.440(1)(b)';

On page 52, line 12, delete 'following eligibility requirements: (a)' and lines 13 through 27 in their entirety and insert 'requirements of KRS 157.621(3).';

On page 53, delete line 1;..."

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E - Education Cabinet

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E - Education Cabinet

Operating Budget

Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	89,021,900	89,121,900	100,000	78,564,800	80,075,400	1,510,600	78,786,400	80,297,000	1,510,600
Restricted Funds	45,495,000	45,495,000		40,375,500	40,375,500		39,647,500	39,647,500	
Federal Funds	740,055,900	740,055,900		738,230,100	738,230,100		735,561,700	735,561,700	
Regular Total Funds	874,572,800	874,672,800	100,000	857,170,400	858,681,000	1,510,600	853,995,600	855,506,200	1,510,600
Use of Continuing									
TOTAL FUNDS	874,572,800	874,672,800	100,000	857,170,400	858,681,000	1,510,600	853,995,600	855,506,200	1,510,600

II. EXPENDITURE CATEGORY

Personnel Costs	145,115,600	145,115,600		140,584,800	140,584,800		142,116,000	142,116,000	
Operating Expenses	42,867,100	42,967,100	100,000	40,544,200	40,765,100	220,900	38,558,500	38,779,400	220,900
Grants, Loans, Benefits	682,758,000	682,758,000		674,317,900	675,607,600	1,289,700	671,647,600	672,937,300	1,289,700
Debt Service	1,907,000	1,907,000							
Capital Outlay	1,925,100	1,925,100		1,723,500	1,723,500		1,673,500	1,673,500	
TOTAL EXPENDITURES	874,572,800	874,672,800	100,000	857,170,400	858,681,000	1,510,600	853,995,600	855,506,200	1,510,600

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	89,021,900	89,021,900		78,564,800	79,825,400	1,260,600	78,786,400	80,047,000	1,260,600
Restricted Funds	45,495,000	45,495,000		40,375,500	40,375,500		39,647,500	39,647,500	
Federal Funds	740,055,900	740,055,900		738,230,100	738,230,100		735,561,700	735,561,700	
Regular Total Funds	874,572,800	874,572,800		857,170,400	858,431,000	1,260,600	853,995,600	855,256,200	1,260,600
Use of Continuing									
TOTAL BASE LEVEL	874,572,800	874,572,800		857,170,400	858,431,000	1,260,600	853,995,600	855,256,200	1,260,600

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund	100,000	100,000		250,000	250,000		250,000	250,000	
TOTAL ADDITIONAL	100,000	100,000		250,000	250,000		250,000	250,000	

E - Education Cabinet

Capital Budget

Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Investment Income				400,000	400,000		400,000	400,000	
TOTAL CAPITAL				400,000	400,000		400,000	400,000	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

EDUCATION CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
General Administration and Program Support	10,075,700	10,075,700		9,479,400	9,479,400		9,594,700	9,594,700	
Deaf and Hard of Hearing	1,381,200	1,481,200	100,000	1,283,400	1,386,000	102,600	1,283,400	1,386,000	102,600
Kentucky Educational Television	18,959,200	18,959,200		15,470,200	15,470,200		15,496,900	15,496,900	
Environmental Education Council	1,456,100	1,456,100		529,800	529,800		542,600	542,600	
General Operations	10,651,100	10,651,100		10,279,800	10,279,800		10,365,800	10,365,800	
Direct Local Aid	8,913,200	8,913,200		8,011,100	8,161,100	150,000	7,905,900	8,055,900	150,000
Office for the Blind	11,279,500	11,279,500		10,549,400	10,667,700	118,300	10,639,700	10,758,000	118,300
Employment and Training	671,271,700	671,271,700		671,050,200	671,050,200		668,375,900	668,375,900	
Career and Technical Education	66,351,300	66,351,300		62,914,300	62,914,300		62,458,300	62,458,300	
Vocational Rehabilitation	61,961,600	61,961,600		57,210,200	58,349,900	1,139,700	56,780,200	57,919,900	1,139,700
Education Professional Standards Board	12,272,200	12,272,200		10,392,600	10,392,600		10,552,200	10,552,200	
Regular Appropriation	874,572,800	874,672,800	100,000	857,170,400	858,681,000	1,510,600	853,995,600	855,506,200	1,510,600

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

EDUCATION CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
GENERAL FUND									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
General Administration and Program Support	2,443,900	2,443,900		3,249,200	3,249,200		3,249,200	3,249,200	
Deaf and Hard of Hearing	829,000	929,000	100,000	826,400	929,000	102,600	826,400	929,000	102,600
Kentucky Educational Television	16,608,300	16,608,300		13,242,800	13,242,800		13,242,800	13,242,800	
General Operations	7,068,600	7,068,600		6,754,900	6,754,900		6,766,900	6,766,900	
Direct Local Aid	7,256,400	7,256,400		6,025,400	6,175,400	150,000	6,025,400	6,175,400	150,000
Office for the Blind	1,328,100	1,328,100		1,209,800	1,328,100	118,300	1,209,800	1,328,100	118,300
Career and Technical Education	30,342,400	30,342,400		26,628,300	26,628,300		26,778,300	26,778,300	
Vocational Rehabilitation	12,794,700	12,794,700		11,655,000	12,794,700	1,139,700	11,655,000	12,794,700	1,139,700
Education Professional Standards Board	10,350,500	10,350,500		8,973,000	8,973,000		9,032,600	9,032,600	
Regular Appropriation	89,021,900	89,121,900	100,000	78,564,800	80,075,400	1,510,600	78,786,400	80,297,000	1,510,600

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

EDUCATION CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
RESTRICTED FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
General Administration and Program Support	7,441,800	7,441,800		6,040,200	6,040,200		6,155,500	6,155,500	
Deaf and Hard of Hearing	552,200	552,200		457,000	457,000		457,000	457,000	
Kentucky Educational Television	1,650,900	1,650,900		1,527,400	1,527,400		1,554,100	1,554,100	
Environmental Education Council	1,456,100	1,456,100		529,800	529,800		542,600	542,600	
General Operations	1,446,400	1,446,400		1,399,800	1,399,800		1,433,600	1,433,600	
Direct Local Aid	932,800	932,800		1,261,700	1,261,700		1,156,500	1,156,500	
Office for the Blind	1,869,200	1,869,200		1,487,400	1,487,400		1,530,700	1,530,700	
Employment and Training	5,200,000	5,200,000		2,665,800	2,665,800		2,368,800	2,368,800	
Career and Technical Education	20,820,400	20,820,400		21,132,100	21,132,100		20,526,100	20,526,100	
Vocational Rehabilitation	2,675,700	2,675,700		2,576,900	2,576,900		2,525,200	2,525,200	
Education Professional Standards Board	1,449,500	1,449,500		1,297,400	1,297,400		1,397,400	1,397,400	
Regular Appropriation	45,495,000	45,495,000		40,375,500	40,375,500		39,647,500	39,647,500	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

EDUCATION CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
FEDERAL FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
General Administration and Program Support	190,000	190,000		190,000	190,000		190,000	190,000	
Kentucky Educational Television	700,000	700,000		700,000	700,000		700,000	700,000	
General Operations	2,136,100	2,136,100		2,125,100	2,125,100		2,165,300	2,165,300	
Direct Local Aid	724,000	724,000		724,000	724,000		724,000	724,000	
Office for the Blind	8,082,200	8,082,200		7,852,200	7,852,200		7,899,200	7,899,200	
Employment and Training	666,071,700	666,071,700		668,384,400	668,384,400		666,007,100	666,007,100	
Career and Technical Education	15,188,500	15,188,500		15,153,900	15,153,900		15,153,900	15,153,900	
Vocational Rehabilitation	46,491,200	46,491,200		42,978,300	42,978,300		42,600,000	42,600,000	
Education Professional Standards Board	472,200	472,200		122,200	122,200		122,200	122,200	
Regular Appropriation	740,055,900	740,055,900		738,230,100	738,230,100		735,561,700	735,561,700	

E - Education Cabinet**Operating Budget****General Administration and Program Support**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,443,900	2,443,900		3,249,200	3,249,200		3,249,200	3,249,200	
Restricted Funds	7,441,800	7,441,800		6,040,200	6,040,200		6,155,500	6,155,500	
Federal Funds	190,000	190,000		190,000	190,000		190,000	190,000	
Regular Total Funds	10,075,700	10,075,700		9,479,400	9,479,400		9,594,700	9,594,700	
Use of Continuing									
TOTAL FUNDS	10,075,700	10,075,700		9,479,400	9,479,400		9,594,700	9,594,700	
II. EXPENDITURE CATEGORY									
Personnel Costs	6,969,500	6,969,500		6,495,000	6,495,000		6,681,900	6,681,900	
Operating Expenses	2,778,700	2,778,700		2,663,200	2,663,200		2,641,600	2,641,600	
Grants, Loans, Benefits	218,400	218,400		192,200	192,200		192,200	192,200	
Capital Outlay	109,100	109,100		129,000	129,000		79,000	79,000	
TOTAL EXPENDITURES	10,075,700	10,075,700		9,479,400	9,479,400		9,594,700	9,594,700	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,443,900	2,443,900		3,249,200	3,249,200		3,249,200	3,249,200	
Restricted Funds	7,441,800	7,441,800		6,040,200	6,040,200		6,155,500	6,155,500	
Federal Funds	190,000	190,000		190,000	190,000		190,000	190,000	
Regular Total Funds	10,075,700	10,075,700		9,479,400	9,479,400		9,594,700	9,594,700	
Use of Continuing									
TOTAL BASE LEVEL	10,075,700	10,075,700		9,479,400	9,479,400		9,594,700	9,594,700	

GENERAL ADMINISTRATION AND PROGRAM SUPPORT

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes \$192,200 General Fund in each fiscal year of the biennium to support the East Kentucky Science Center.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget, Part V, Funds Transfer, includes a transfer from Agency Revenue Fund of \$2,000,000 in fiscal year 2007-2008.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly adds a Part I, Operating Budget, language provision as follows:

"East Kentucky Science Center: Included in the above General Fund appropriation is up to \$192,200 in fiscal year 2008-2009 and \$192,200 in fiscal year 2009-2010 for the East Kentucky Science Center."

E - Education Cabinet**Capital Budget****General Administration and Program Support**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Investment Income				300,000	300,000		300,000	300,000	
TOTAL CAPITAL				300,000	300,000		300,000	300,000	
II. CAPITAL PROJECTS									
1	Maintenance Pool - 2008-2010								
PRJ530S2287									
Investment Income				300,000	300,000		300,000	300,000	
Project Total				300,000	300,000		300,000	300,000	
TOTAL CAPITAL				300,000	300,000		300,000	300,000	

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E - Education Cabinet**Operating Budget****Deaf and Hard of Hearing**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	829,000	929,000	100,000	826,400	929,000	102,600	826,400	929,000	102,600
Restricted Funds	552,200	552,200		457,000	457,000		457,000	457,000	
Regular Total Funds	1,381,200	1,481,200	100,000	1,283,400	1,386,000	102,600	1,283,400	1,386,000	102,600
Use of Continuing									
TOTAL FUNDS	1,381,200	1,481,200	100,000	1,283,400	1,386,000	102,600	1,283,400	1,386,000	102,600
II. EXPENDITURE CATEGORY									
Personnel Costs	926,300	926,300		854,200	854,200		875,300	875,300	
Operating Expenses	443,400	543,400	100,000	429,200	531,800	102,600	408,100	510,700	102,600
Capital Outlay	11,500	11,500							
TOTAL EXPENDITURES	1,381,200	1,481,200	100,000	1,283,400	1,386,000	102,600	1,283,400	1,386,000	102,600
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	829,000	829,000		826,400	829,000	2,600	826,400	829,000	2,600
Restricted Funds	552,200	552,200		457,000	457,000		457,000	457,000	
Regular Total Funds	1,381,200	1,381,200		1,283,400	1,286,000	2,600	1,283,400	1,286,000	2,600
Use of Continuing									
TOTAL BASE LEVEL	1,381,200	1,381,200		1,283,400	1,286,000	2,600	1,283,400	1,286,000	2,600
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund		100,000	100,000		100,000	100,000		100,000	100,000
TOTAL ADDITIONAL		100,000	100,000		100,000	100,000		100,000	100,000
V. ADDITIONAL BUDGET ITEMS									
1 NEW Additional Operating Funds									
ABR340T0003 Provide additional General Funds for services.									
General Fund		100,000	100,000		100,000	100,000		100,000	100,000
Project Total		100,000	100,000		100,000	100,000		100,000	100,000
TOTAL ADDITIONAL		100,000	100,000		100,000	100,000		100,000	100,000

DEAF AND HARD OF HEARING

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly provides additional General Fund support totaling \$100,000 in fiscal year 2007-2008, fiscal year 2008-2009, and fiscal year 2009-2010.

E - Education Cabinet

Operating Budget

Kentucky Educational Television

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	16,608,300	16,608,300		13,242,800	13,242,800		13,242,800	13,242,800	
Restricted Funds	1,650,900	1,650,900		1,527,400	1,527,400		1,554,100	1,554,100	
Federal Funds	700,000	700,000		700,000	700,000		700,000	700,000	
Regular Total Funds	18,959,200	18,959,200		15,470,200	15,470,200		15,496,900	15,496,900	
Use of Continuing									
TOTAL FUNDS	18,959,200	18,959,200		15,470,200	15,470,200		15,496,900	15,496,900	
II. EXPENDITURE CATEGORY									
Personnel Costs	10,434,900	10,434,900		9,110,000	9,110,000		9,347,800	9,347,800	
Operating Expenses	5,181,700	5,181,700		5,100,700	5,100,700		4,889,600	4,889,600	
Grants, Loans, Benefits	437,400	437,400		309,500	309,500		309,500	309,500	
Debt Service	1,907,000	1,907,000							
Capital Outlay	998,200	998,200		950,000	950,000		950,000	950,000	
TOTAL EXPENDITURES	18,959,200	18,959,200		15,470,200	15,470,200		15,496,900	15,496,900	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	16,608,300	16,608,300		13,242,800	13,242,800		13,242,800	13,242,800	
Restricted Funds	1,650,900	1,650,900		1,527,400	1,527,400		1,554,100	1,554,100	
Federal Funds	700,000	700,000		700,000	700,000		700,000	700,000	
Regular Total Funds	18,959,200	18,959,200		15,470,200	15,470,200		15,496,900	15,496,900	
Use of Continuing									
TOTAL BASE LEVEL	18,959,200	18,959,200		15,470,200	15,470,200		15,496,900	15,496,900	
TRANSFERS TO THE GENERAL FUND									
Kentucky Educational Television									
Agency Revenue Fund	2,000,000	2,000,000							
TOTAL	2,000,000	2,000,000							

KENTUCKY EDUCATIONAL TELEVISION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Agency Revenue Fund of \$2,000,000 in fiscal year 2007-2008.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

E - Education Cabinet**Capital Budget****Kentucky Educational Television**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Investment Income				100,000	100,000		100,000	100,000	
TOTAL CAPITAL				100,000	100,000		100,000	100,000	
II. CAPITAL PROJECTS									
1	Maintenance Pool - 2008-2010								
PRJ545G2316									
Investment Income				100,000	100,000		100,000	100,000	
Project Total				100,000	100,000		100,000	100,000	
TOTAL CAPITAL				100,000	100,000		100,000	100,000	

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E - Education Cabinet**Operating Budget****Environmental Education Council**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	1,456,100	1,456,100		529,800	529,800		542,600	542,600	
Regular Total Funds	1,456,100	1,456,100		529,800	529,800		542,600	542,600	
Use of Continuing									
TOTAL FUNDS	1,456,100	1,456,100		529,800	529,800		542,600	542,600	
II. EXPENDITURE CATEGORY									
Personnel Costs	185,100	185,100		162,600	162,600		166,600	166,600	
Operating Expenses	34,200	34,200		32,400	32,400		32,600	32,600	
Grants, Loans, Benefits	1,236,800	1,236,800		334,800	334,800		343,400	343,400	
TOTAL EXPENDITURES	1,456,100	1,456,100		529,800	529,800		542,600	542,600	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	1,456,100	1,456,100		529,800	529,800		542,600	542,600	
Regular Total Funds	1,456,100	1,456,100		529,800	529,800		542,600	542,600	
Use of Continuing									
TOTAL BASE LEVEL	1,456,100	1,456,100		529,800	529,800		542,600	542,600	

ENVIRONMENTAL EDUCATION COUNCIL

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

E - Education Cabinet

Operating Budget

Libraries and Archives Summary

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	14,325,000	14,325,000		12,780,300	12,930,300	150,000	12,792,300	12,942,300	150,000
Restricted Funds	2,379,200	2,379,200		2,661,500	2,661,500		2,590,100	2,590,100	
Federal Funds	2,860,100	2,860,100		2,849,100	2,849,100		2,889,300	2,889,300	
Regular Total Funds	19,564,300	19,564,300		18,290,900	18,440,900	150,000	18,271,700	18,421,700	150,000
Use of Continuing									
TOTAL FUNDS	19,564,300	19,564,300		18,290,900	18,440,900	150,000	18,271,700	18,421,700	150,000

II. EXPENDITURE CATEGORY

Personnel Costs	6,898,800	6,898,800		6,656,500	6,656,500		6,875,500	6,875,500	
Operating Expenses	3,661,800	3,661,800		3,487,500	3,487,500		3,354,500	3,354,500	
Grants, Loans, Benefits	8,804,900	8,804,900		7,946,900	8,096,900	150,000	7,841,700	7,991,700	150,000
Capital Outlay	198,800	198,800		200,000	200,000		200,000	200,000	
TOTAL EXPENDITURES	19,564,300	19,564,300		18,290,900	18,440,900	150,000	18,271,700	18,421,700	150,000

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	14,325,000	14,325,000		12,780,300	12,780,300		12,792,300	12,792,300	
Restricted Funds	2,379,200	2,379,200		2,661,500	2,661,500		2,590,100	2,590,100	
Federal Funds	2,860,100	2,860,100		2,849,100	2,849,100		2,889,300	2,889,300	
Regular Total Funds	19,564,300	19,564,300		18,290,900	18,290,900		18,271,700	18,271,700	
Use of Continuing									
TOTAL BASE LEVEL	19,564,300	19,564,300		18,290,900	18,290,900		18,271,700	18,271,700	

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				150,000	150,000		150,000	150,000	
TOTAL ADDITIONAL				150,000	150,000		150,000	150,000	

E - Education Cabinet

Capital Budget

Libraries and Archives Summary

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

E - Education Cabinet**Operating Budget****General Operations**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	7,068,600	7,068,600		6,754,900	6,754,900		6,766,900	6,766,900	
Restricted Funds	1,446,400	1,446,400		1,399,800	1,399,800		1,433,600	1,433,600	
Federal Funds	2,136,100	2,136,100		2,125,100	2,125,100		2,165,300	2,165,300	
Regular Total Funds	10,651,100	10,651,100		10,279,800	10,279,800		10,365,800	10,365,800	
Use of Continuing									
TOTAL FUNDS	10,651,100	10,651,100		10,279,800	10,279,800		10,365,800	10,365,800	
II. EXPENDITURE CATEGORY									
Personnel Costs	6,898,800	6,898,800		6,656,500	6,656,500		6,875,500	6,875,500	
Operating Expenses	3,535,300	3,535,300		3,406,300	3,406,300		3,273,300	3,273,300	
Grants, Loans, Benefits	217,000	217,000		217,000	217,000		217,000	217,000	
TOTAL EXPENDITURES	10,651,100	10,651,100		10,279,800	10,279,800		10,365,800	10,365,800	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	7,068,600	7,068,600		6,754,900	6,754,900		6,766,900	6,766,900	
Restricted Funds	1,446,400	1,446,400		1,399,800	1,399,800		1,433,600	1,433,600	
Federal Funds	2,136,100	2,136,100		2,125,100	2,125,100		2,165,300	2,165,300	
Regular Total Funds	10,651,100	10,651,100		10,279,800	10,279,800		10,365,800	10,365,800	
Use of Continuing									
TOTAL BASE LEVEL	10,651,100	10,651,100		10,279,800	10,279,800		10,365,800	10,365,800	

GENERAL OPERATIONS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Local Records Grant Program: Notwithstanding KRS 142.010(5), included in the above General Fund appropriation are amounts for the Local Records Grant program."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly adds a Part I, Operating Budget, language provision as follows:

"Collaboration with Public Entities: The Department of Libraries and Archives shall collaborate with Kentucky's public colleges, universities, and libraries to explore alternatives to meet the archival needs of the Commonwealth."

E - Education Cabinet**Operating Budget****Direct Local Aid**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	7,256,400	7,256,400		6,025,400	6,175,400	150,000	6,025,400	6,175,400	150,000
Restricted Funds	932,800	932,800		1,261,700	1,261,700		1,156,500	1,156,500	
Federal Funds	724,000	724,000		724,000	724,000		724,000	724,000	
Regular Total Funds	8,913,200	8,913,200		8,011,100	8,161,100	150,000	7,905,900	8,055,900	150,000
Use of Continuing									
TOTAL FUNDS	8,913,200	8,913,200		8,011,100	8,161,100	150,000	7,905,900	8,055,900	150,000
II. EXPENDITURE CATEGORY									
Operating Expenses	126,500	126,500		81,200	81,200		81,200	81,200	
Grants, Loans, Benefits	8,587,900	8,587,900		7,729,900	7,879,900	150,000	7,624,700	7,774,700	150,000
Capital Outlay	198,800	198,800		200,000	200,000		200,000	200,000	
TOTAL EXPENDITURES	8,913,200	8,913,200		8,011,100	8,161,100	150,000	7,905,900	8,055,900	150,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	7,256,400	7,256,400		6,025,400	6,025,400		6,025,400	6,025,400	
Restricted Funds	932,800	932,800		1,261,700	1,261,700		1,156,500	1,156,500	
Federal Funds	724,000	724,000		724,000	724,000		724,000	724,000	
Regular Total Funds	8,913,200	8,913,200		8,011,100	8,011,100		7,905,900	7,905,900	
Use of Continuing									
TOTAL BASE LEVEL	8,913,200	8,913,200		8,011,100	8,011,100		7,905,900	7,905,900	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund					150,000	150,000		150,000	150,000
TOTAL ADDITIONAL					150,000	150,000		150,000	150,000
V. ADDITIONAL BUDGET ITEMS									
1 NEW Direct Local Aid									
ABR555J0004 Funding for public library grants.									
General Fund					150,000	150,000		150,000	150,000
Project Total					150,000	150,000		150,000	150,000
TOTAL ADDITIONAL					150,000	150,000		150,000	150,000

DIRECT LOCAL AID

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Public Library Facilities Construction Fund: Notwithstanding KRS 142.010(5), \$127,500 shall be transferred from the Local Records Grant program to the Public Library Facilities Construction Fund, and \$127,500 shall be transferred from agency revenue funds within the Libraries and Archives budget unit to the Public Library Facilities Construction Fund to pay for existing construction debt assistance grants in fiscal year 2007-2008, fiscal year 2008-2009, and 2009-2010."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly adds in Part I, Operating Budget, increased General Fund support totaling \$150,000 in each fiscal year for public library grants.

The General Assembly amends Part I, Operating Budget, language provisions as follows:

"Per Capita Grants: Notwithstanding KRS 171.201(2)(b), the department shall distribute the per capita grants within the available appropriated amounts."

"Public Library Facilities Construction Fund: Notwithstanding KRS 142.010(5), included in the above appropriations are funds up to \$255,000 for existing construction debt assistance grants in both fiscal years."

E - Education Cabinet**Operating Budget****Office for the Blind**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	1,328,100	1,328,100		1,209,800	1,328,100	118,300	1,209,800	1,328,100	118,300
Restricted Funds	1,869,200	1,869,200		1,487,400	1,487,400		1,530,700	1,530,700	
Federal Funds	8,082,200	8,082,200		7,852,200	7,852,200		7,899,200	7,899,200	
Regular Total Funds	11,279,500	11,279,500		10,549,400	10,667,700	118,300	10,639,700	10,758,000	118,300
Use of Continuing									
TOTAL FUNDS	11,279,500	11,279,500		10,549,400	10,667,700	118,300	10,639,700	10,758,000	118,300
II. EXPENDITURE CATEGORY									
Personnel Costs	6,254,700	6,254,700		6,423,200	6,423,200		6,673,600	6,673,600	
Operating Expenses	1,467,000	1,467,000		1,411,500	1,529,800	118,300	1,411,900	1,530,200	118,300
Grants, Loans, Benefits	3,541,800	3,541,800		2,714,700	2,714,700		2,554,200	2,554,200	
Capital Outlay	16,000	16,000							
TOTAL EXPENDITURES	11,279,500	11,279,500		10,549,400	10,667,700	118,300	10,639,700	10,758,000	118,300
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	1,328,100	1,328,100		1,209,800	1,328,100	118,300	1,209,800	1,328,100	118,300
Restricted Funds	1,869,200	1,869,200		1,487,400	1,487,400		1,530,700	1,530,700	
Federal Funds	8,082,200	8,082,200		7,852,200	7,852,200		7,899,200	7,899,200	
Regular Total Funds	11,279,500	11,279,500		10,549,400	10,667,700	118,300	10,639,700	10,758,000	118,300
Use of Continuing									
TOTAL BASE LEVEL	11,279,500	11,279,500		10,549,400	10,667,700	118,300	10,639,700	10,758,000	118,300

OFFICE FOR THE BLIND

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly increases General Fund support totaling \$118,300 in each fiscal year to maintain the fiscal year 2007-2008 revised base.

E - Education Cabinet**Operating Budget****Employment and Training**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	5,200,000	5,200,000		2,665,800	2,665,800		2,368,800	2,368,800	
Federal Funds	666,071,700	666,071,700		668,384,400	668,384,400		666,007,100	666,007,100	
Regular Total Funds	671,271,700	671,271,700		671,050,200	671,050,200		668,375,900	668,375,900	
Use of Continuing									
TOTAL FUNDS	671,271,700	671,271,700		671,050,200	671,050,200		668,375,900	668,375,900	
II. EXPENDITURE CATEGORY									
Personnel Costs	41,479,900	41,479,900		39,276,400	39,276,400		37,582,700	37,582,700	
Operating Expenses	13,262,500	13,262,500		13,493,300	13,493,300		12,371,100	12,371,100	
Grants, Loans, Benefits	616,529,300	616,529,300		618,280,500	618,280,500		618,422,100	618,422,100	
TOTAL EXPENDITURES	671,271,700	671,271,700		671,050,200	671,050,200		668,375,900	668,375,900	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	5,200,000	5,200,000		2,665,800	2,665,800		2,368,800	2,368,800	
Federal Funds	666,071,700	666,071,700		668,384,400	668,384,400		666,007,100	666,007,100	
Regular Total Funds	671,271,700	671,271,700		671,050,200	671,050,200		668,375,900	668,375,900	
Use of Continuing									
TOTAL BASE LEVEL	671,271,700	671,271,700		671,050,200	671,050,200		668,375,900	668,375,900	

EMPLOYMENT AND TRAINING

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Unemployment Insurance Penalty and Interest Account: Notwithstanding KRS 341.835, up to \$3,000,000 from the Unemployment Insurance Penalty and Interest Account in the Unemployment Compensation Administration Fund may be used during each fiscal year by the Office of Employment and Training to operate employment, training, and unemployment insurance programs and up to \$750,000 shall be transferred in fiscal year 2008-2009 and fiscal year 2009-2010 to the General Administration and Program Support budget unit of the Education Cabinet to aid in the support of the Office of Employment and Training programs."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

E - Education Cabinet**Operating Budget****Career and Technical Education**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	30,342,400	30,342,400		26,628,300	26,628,300		26,778,300	26,778,300	
Restricted Funds	20,820,400	20,820,400		21,132,100	21,132,100		20,526,100	20,526,100	
Federal Funds	15,188,500	15,188,500		15,153,900	15,153,900		15,153,900	15,153,900	
Regular Total Funds	66,351,300	66,351,300		62,914,300	62,914,300		62,458,300	62,458,300	
Use of Continuing									
TOTAL FUNDS	66,351,300	66,351,300		62,914,300	62,914,300		62,458,300	62,458,300	
II. EXPENDITURE CATEGORY									
Personnel Costs	41,392,500	41,392,500		40,482,400	40,482,400		41,902,700	41,902,700	
Operating Expenses	9,946,300	9,946,300		7,836,700	7,836,700		7,357,000	7,357,000	
Grants, Loans, Benefits	14,520,500	14,520,500		14,280,200	14,280,200		12,883,600	12,883,600	
Capital Outlay	492,000	492,000		315,000	315,000		315,000	315,000	
TOTAL EXPENDITURES	66,351,300	66,351,300		62,914,300	62,914,300		62,458,300	62,458,300	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	30,342,400	30,342,400		26,628,300	26,628,300		26,778,300	26,778,300	
Restricted Funds	20,820,400	20,820,400		21,132,100	21,132,100		20,526,100	20,526,100	
Federal Funds	15,188,500	15,188,500		15,153,900	15,153,900		15,153,900	15,153,900	
Regular Total Funds	66,351,300	66,351,300		62,914,300	62,914,300		62,458,300	62,458,300	
Use of Continuing									
TOTAL BASE LEVEL	66,351,300	66,351,300		62,914,300	62,914,300		62,458,300	62,458,300	

CAREER AND TECHNICAL EDUCATION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Participation in the Education Technology Program by Area Vocational Education Centers: Area Vocational Education Centers shall be fully eligible to participate in the Kentucky Education Technology System. Notwithstanding KRS 157.650, 157.655, 157.660, and 157.665, the School Facilities Construction Commission, in consultation with the Kentucky Board of Education and the Department of Education, shall develop administrative regulations which identify a methodology by which the average daily attendance for Area Vocational Education Centers may be equated to the average daily attendance of other local school districts in order that they may receive their respective distributions of these funds. The School Facilities Construction Commission shall include Area Vocational Education Centers in any offers of assistance to local school districts for technology assistance during the 2008-2010 fiscal biennium."

"Transfer of State-Operated Secondary Vocational Education and Technology Centers: (a) Notwithstanding KRS 151B.035, 151B.040, 151B.045, 151B.050, 151B.055, and 151B.070, effective at the beginning of fiscal year 2008-2009, a local board of education may submit a request to the Executive Director of the Office of Career and Technical Education to assume authority for the management and control of a state-operated secondary vocational education and technology center. Upon agreement between the Executive Director of the Office of Career and Technical Education and the local board of education for the transfer of a state-operated secondary vocational education and technology center, all personnel, equipment, and supplies shall be transferred to the local board of education and shall only be utilized for the operation of the locally operated vocational center. The transfer of management and control of the secondary area vocational education and technology center shall be considered a permanent transfer to the local

CAREER AND TECHNICAL EDUCATION

district.

(b) A certified employee who is affected by a transfer to the local board of education under paragraph (a) shall be granted a one year limited contract by the local board of education and shall be employed on the local district salary schedule. A classified employee shall be guaranteed employment equal to his or her present status for at least one complete school term. A transferred employee shall be provided the benefits of comparable employees in the district and shall be subject to all rules and policies of the local board of education, including but not limited to disciplinary and personnel actions that are the same as those that may be exercised by the district for any other employee in the district during a contract period.

(c) A transferred employee who has accrued annual leave and compensatory time shall be paid a lump sum for the accrued time at the effective date of the transfer by the Office of Career and Technical Education. The employee shall be granted credit for accrued sick leave up to the maximum allowed for transfers for teachers between school districts. Sick leave credit shall be awarded to a classified employee based on the local board policy. Any excess sick leave that a classified or certified employee has earned that the district will not accept in the transfer may be requested to be held in escrow by the appropriate state personnel system under KRS Chapter 18A or 151B, and the sick leave balance shall be restored to the employee if the employee returns to a state government position.

(d) An employee who is to be transferred to a local board of education under provisions of this subsection but who chooses not to accept a one year limited contract with the board shall be separated from the state system and the employee's position shall be abolished. The employee may apply for any state position for which the employee is qualified but shall not be granted priority over other applicants for a position because the employee's position was abolished due to a transfer of the vocational education and technology center. An employee who refuses a contract with the local board shall be provided a lump-sum payment for accrued annual leave and compensatory time, and the employee's sick leave balance shall be placed in escrow by the appropriate state personnel system under KRS Chapter 18A or 151B. The sick leave balance shall be restored to the employee if the employee returns to a state government position.

(e) A certified employee, other than a principal, who has earned continuing status in the state certified personnel system under KRS Chapter 151B may be granted tenure under the provisions of KRS 161.740(1)(c). A principal may be granted tenure as a teacher, but the provisions relating to demotion of the principal under KRS 161.765 shall apply.

(f) An employee of the Office of Career and Technical Education who is transferred to the local school district and who occupies a position covered by the Kentucky Teachers' Retirement System shall remain in the Teachers' Retirement System.

(g) General Fund moneys previously appropriated to the Office of Career and Technical Education for support of the transferred state-operated vocational technical school shall be appropriated to the Kentucky Department of Education for support of the local board of education center operations effective at the beginning of fiscal year 2008-2009. In addition, the local board of education shall receive 100 percent of the Support Education Excellence in Kentucky (SEEK) Program funds from the Kentucky Department of Education that are generated from students enrolled in the center."

CAREER AND TECHNICAL EDUCATION

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

E - Education Cabinet**Operating Budget****Vocational Rehabilitation**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	12,794,700	12,794,700		11,655,000	12,794,700	1,139,700	11,655,000	12,794,700	1,139,700
Restricted Funds	2,675,700	2,675,700		2,576,900	2,576,900		2,525,200	2,525,200	
Federal Funds	46,491,200	46,491,200		42,978,300	42,978,300		42,600,000	42,600,000	
Regular Total Funds	61,961,600	61,961,600		57,210,200	58,349,900	1,139,700	56,780,200	57,919,900	1,139,700
Use of Continuing									
TOTAL FUNDS	61,961,600	61,961,600		57,210,200	58,349,900	1,139,700	56,780,200	57,919,900	1,139,700
II. EXPENDITURE CATEGORY									
Personnel Costs	26,696,200	26,696,200		26,997,100	26,997,100		27,805,200	27,805,200	
Operating Expenses	4,868,700	4,868,700		5,029,100	5,029,100		5,002,200	5,002,200	
Grants, Loans, Benefits	30,297,200	30,297,200		25,054,500	26,194,200	1,139,700	23,843,300	24,983,000	1,139,700
Capital Outlay	99,500	99,500		129,500	129,500		129,500	129,500	
TOTAL EXPENDITURES	61,961,600	61,961,600		57,210,200	58,349,900	1,139,700	56,780,200	57,919,900	1,139,700
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	12,794,700	12,794,700		11,655,000	12,794,700	1,139,700	11,655,000	12,794,700	1,139,700
Restricted Funds	2,675,700	2,675,700		2,576,900	2,576,900		2,525,200	2,525,200	
Federal Funds	46,491,200	46,491,200		42,978,300	42,978,300		42,600,000	42,600,000	
Regular Total Funds	61,961,600	61,961,600		57,210,200	58,349,900	1,139,700	56,780,200	57,919,900	1,139,700
Use of Continuing									
TOTAL BASE LEVEL	61,961,600	61,961,600		57,210,200	58,349,900	1,139,700	56,780,200	57,919,900	1,139,700

VOCATIONAL REHABILITATION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly increases General Fund support totaling \$1,139,700 in each fiscal year to maintain the fiscal year 2007-2008 revised base.

The General Assembly adds Part I, Operating Budget, language provision as follows:

"Interpreter Services: Included in the above General Fund appropriation is \$450,000 in each fiscal year to provide accessibility services for deaf and hard of hearing students in postsecondary education."

E - Education Cabinet**Capital Budget****Vocational Rehabilitation**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

II. CAPITAL PROJECTS

1 **Fayette County - Lease**

PRJ53105000

General Fund

Project Total

TOTAL CAPITAL

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E - Education Cabinet**Operating Budget****Education Professional Standards Board**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	10,350,500	10,350,500		8,973,000	8,973,000		9,032,600	9,032,600	
Restricted Funds	1,449,500	1,449,500		1,297,400	1,297,400		1,397,400	1,397,400	
Federal Funds	472,200	472,200		122,200	122,200		122,200	122,200	
Regular Total Funds	12,272,200	12,272,200		10,392,600	10,392,600		10,552,200	10,552,200	
Use of Continuing									
TOTAL FUNDS	12,272,200	12,272,200		10,392,600	10,392,600		10,552,200	10,552,200	
II. EXPENDITURE CATEGORY									
Personnel Costs	3,877,700	3,877,700		4,127,400	4,127,400		4,204,700	4,204,700	
Operating Expenses	1,222,800	1,222,800		1,060,600	1,060,600		1,089,900	1,089,900	
Grants, Loans, Benefits	7,171,700	7,171,700		5,204,600	5,204,600		5,257,600	5,257,600	
TOTAL EXPENDITURES	12,272,200	12,272,200		10,392,600	10,392,600		10,552,200	10,552,200	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	10,350,500	10,350,500		8,973,000	8,973,000		9,032,600	9,032,600	
Restricted Funds	1,449,500	1,449,500		1,297,400	1,297,400		1,397,400	1,397,400	
Federal Funds	472,200	472,200		122,200	122,200		122,200	122,200	
Regular Total Funds	12,272,200	12,272,200		10,392,600	10,392,600		10,552,200	10,552,200	
Use of Continuing									
TOTAL BASE LEVEL	12,272,200	12,272,200		10,392,600	10,392,600		10,552,200	10,552,200	

EDUCATION PROFESSIONAL STANDARDS BOARD

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"National Board of Teaching Standards Certification: Notwithstanding KRS 161.134, up to \$800,000 in fiscal year 2008-2009 and \$800,000 in fiscal year 2009-2010 is provided for National Board of Teaching Standards Certification from the General Fund."

"Employment of Leadership Personnel: Notwithstanding KRS 18A.005 to 18A.200, the Education Professional Standards Board shall have the sole authority to determine the employees of the Education Professional Standards Board staff who are exempt from the classified service and to set their compensation comparable to the competitive market."

"Kentucky Teacher Internship Program: Notwithstanding KRS 161.030(7), the Education Professional Standards Board shall set the minimum number of hours for the activities set forth in KRS 161.030(7), subject to the availability of appropriations."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly deletes the Part I, Operating Budget, language provision relating to the **"Kentucky Teacher Internship Program"**.

The General Assembly adds the following Part I, Operating Budget, language provision:

EDUCATION PROFESSIONAL STANDARDS BOARD

"Kentucky Principal Internship Program: Notwithstanding KRS 161.027, no funds are provided in the above appropriations for the operational costs of the Kentucky Principal Internship Program in the 2008-2010 fiscal biennium."

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F - Environmental and Public Protection Cabinet

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F - Environmental and Public Protection Cabinet

Operating Budget

Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	28,180,200	28,180,200		28,551,300	28,551,300		28,881,900	28,881,900	
General Fund	104,276,000	104,276,000		85,809,300	85,952,300	143,000	92,274,100	92,333,700	59,600
Restricted Funds	404,780,400	404,780,400		369,471,700	375,471,700	6,000,000	379,347,400	378,347,400	(1,000,000)
Federal Funds	76,879,400	76,879,400		75,542,400	75,542,400		82,822,700	82,822,700	
Road Fund	300,000	300,000		300,000	300,000		300,000	300,000	
Regular Total Funds	614,416,000	614,416,000		559,674,700	565,817,700	6,143,000	583,626,100	582,685,700	(940,400)
Use of Continuing	13,496,000	13,496,000		(2,500,000)	(2,860,700)	(360,700)	(2,250,000)	(2,610,700)	(360,700)
TOTAL FUNDS	627,912,000	627,912,000		557,174,700	562,957,000	5,782,300	581,376,100	580,075,000	(1,301,100)
II. EXPENDITURE CATEGORY									
Personnel Costs	232,885,800	232,885,800		234,794,300	234,755,500	(38,800)	244,084,600	244,045,800	(38,800)
Operating Expenses	180,174,800	180,174,800		165,681,500	165,752,600	71,100	165,520,800	165,508,500	(12,300)
Grants, Loans, Benefits	183,711,300	183,711,300		132,595,400	138,345,400	5,750,000	140,955,700	139,705,700	(1,250,000)
Debt Service	4,068,000	4,068,000		589,000	589,000		2,801,000	2,801,000	
Capital Outlay	4,268,100	4,268,100		3,156,000	3,156,000		2,975,400	2,975,400	
Construction	22,804,000	22,804,000		20,358,500	20,358,500		25,038,600	25,038,600	
TOTAL EXPENDITURES	627,912,000	627,912,000		557,174,700	562,957,000	5,782,300	581,376,100	580,075,000	(1,301,100)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	28,180,200	28,180,200		28,551,300	28,551,300		28,881,900	28,881,900	
General Fund	104,276,000	104,276,000		82,682,300	82,825,300	143,000	89,133,100	89,192,700	59,600
Restricted Funds	404,780,400	404,780,400		363,426,200	369,176,200	5,750,000	370,036,500	368,786,500	(1,250,000)
Federal Funds	76,879,400	76,879,400		72,632,400	72,632,400		72,980,200	72,980,200	
Road Fund	300,000	300,000		300,000	300,000		300,000	300,000	
Regular Total Funds	614,416,000	614,416,000		547,592,200	553,485,200	5,893,000	561,331,700	560,141,300	(1,190,400)
Use of Continuing	13,496,000	13,496,000		(2,500,000)	(2,860,700)	(360,700)	(2,250,000)	(2,610,700)	(360,700)
TOTAL BASE LEVEL	627,912,000	627,912,000		545,092,200	550,624,500	5,532,300	559,081,700	557,530,600	(1,551,100)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				3,127,000	3,127,000		3,141,000	3,141,000	
Restricted Funds				6,045,500	6,295,500	250,000	9,310,900	9,560,900	250,000
Federal Funds				2,910,000	2,910,000		9,842,500	9,842,500	
TOTAL ADDITIONAL				12,082,500	12,332,500	250,000	22,294,400	22,544,400	250,000

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

F - Environmental and Public Protection Cabinet

Capital Budget

Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				5,600,000	5,600,000		5,600,000	5,600,000	
Federal Funds				1,000,000	1,000,000		1,000,000	1,000,000	
Bond Funds				37,000,000	37,000,000				
Investment Income				200,000	200,000		200,000	200,000	
TOTAL CAPITAL				43,800,000	43,800,000		6,800,000	6,800,000	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

ENVIRONMENTAL AND PUBLIC PROTECTION CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
General Administration and Program Support	16,283,700	16,283,700		15,632,500	15,632,500		15,530,600	15,530,600	
Environmental Protection	84,684,800	84,684,800		72,559,900	78,309,900	5,750,000	80,722,400	79,472,400	(1,250,000)
Natural Resources	36,282,100	36,282,100		34,908,300	35,158,300	250,000	35,211,100	35,461,100	250,000
Mine Reclamation and Enforcement	32,303,600	32,303,600		36,338,900	36,338,900		39,175,600	39,175,600	
Abandoned Mine Land Reclamation Projects	22,000,000	22,000,000		22,000,000	22,000,000		29,000,000	29,000,000	
Environmental Quality Commission	221,000	221,000		232,100	232,100		239,100	239,100	
Kentucky Nature Preserves Commission	2,169,400	2,169,400		1,543,600	1,636,600	93,000	1,572,400	1,582,000	9,600
Public Protection Commissioner	812,300	812,300		884,000	884,000		900,300	900,300	
Boxing and Wrestling Authority	100,000	100,000		100,000	100,000		100,000	100,000	
Petroleum Storage Tank Environmental Assurance Fund	32,357,400	32,357,400		29,183,100	29,183,100		30,940,000	30,940,000	
Alcoholic Beverage Control	5,228,300	5,228,300		5,161,800	5,161,800		5,315,300	5,315,300	
Charitable Gaming	3,143,200	3,143,200		3,057,600	3,057,600		3,092,900	3,092,900	
Board of Claims/Crime Victims' Compensation Board	3,686,400	3,686,400		2,964,300	2,964,300		2,995,400	2,995,400	
Financial Institutions	9,222,700	9,222,700		9,213,100	9,213,100		9,213,200	9,213,200	
Horse Racing Authority	28,371,700	28,371,700		28,453,700	28,453,700		28,378,300	28,378,300	
Housing, Buildings and Construction	17,096,700	17,096,700		18,147,400	18,147,400		19,613,500	19,613,500	
Insurance	56,376,700	56,376,700		39,909,600	39,909,600		40,532,900	40,532,900	
Mine Safety Review Commission	184,200	184,200		138,900	188,900	50,000	142,600	192,600	50,000
Mine Safety and Licensing	13,363,400	13,363,400		16,043,000	16,043,000		16,373,300	16,373,300	
Public Service Commission	9,247,900	9,247,900		14,059,200	14,059,200		14,059,200	14,059,200	
Tax Appeals	439,800	439,800		439,800	439,800		439,800	439,800	
Labor	116,863,900	116,863,900		99,271,600	99,271,600		100,135,000	100,135,000	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY**ENVIRONMENTAL AND PUBLIC PROTECTION CABINET OPERATING BUDGET**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
Occupational Safety and Health Review Commission	484,400	484,400		495,300	495,300		505,800	505,800	
Workers' Compensation Board	920,200	920,200		949,200	949,200		969,000	969,000	
Workers' Compensation Funding Commission	122,572,200	122,572,200		107,987,800	107,987,800		108,468,400	108,468,400	
Regular Appropriation	614,416,000	614,416,000		559,674,700	565,817,700	6,143,000	583,626,100	582,685,700	(940,400)

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

ENVIRONMENTAL AND PUBLIC PROTECTION CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
GENERAL FUND (TOBACCO)									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Natural Resources	9,000,000	9,000,000		9,000,000	9,000,000		9,000,000	9,000,000	
Insurance	19,180,200	19,180,200		19,551,300	19,551,300		19,881,900	19,881,900	
Regular Appropriation	28,180,200	28,180,200		28,551,300	28,551,300		28,881,900	28,881,900	

GENERAL FUND (TOBACCO)

CONTINUED RESERVE SPENDING SUMMARY BY APPROPRIATION UNIT

Insurance	3,188,000	3,188,000	
Natural Resources	9,152,800	9,152,800	
Reserve Spending	12,340,800	12,340,800	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

ENVIRONMENTAL AND PUBLIC PROTECTION CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
GENERAL FUND									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
General Administration and Program Support	8,583,000	8,583,000		7,517,000	7,517,000		8,001,000	8,001,000	
Environmental Protection	26,255,800	26,255,800		22,283,600	22,283,600		23,639,800	23,639,800	
Natural Resources	14,755,000	14,755,000		11,760,700	11,760,700		14,135,200	14,135,200	
Mine Reclamation and Enforcement	10,417,000	10,417,000		9,531,000	9,531,000		9,689,500	9,689,500	
Kentucky Nature Preserves Commission	1,181,100	1,181,100		1,088,100	1,181,100	93,000	1,171,500	1,181,100	9,600
Petroleum Storage Tank Environmental Assurance Fund	3,479,000	3,479,000					1,679,000	1,679,000	
Alcoholic Beverage Control	1,096,700	1,096,700		965,000	965,000		965,000	965,000	
Board of Claims/Crime Victims' Compensation Board	816,900	816,900		740,000	740,000		740,000	740,000	
Horse Racing Authority	504,200	504,200		443,700	443,700		443,700	443,700	
Housing, Buildings and Construction	2,504,300	2,504,300		2,321,000	2,321,000		2,321,000	2,321,000	
Insurance	13,095,000	13,095,000							
Mine Safety Review Commission	184,200	184,200		133,900	183,900	50,000	137,100	187,100	50,000
Mine Safety and Licensing	10,335,100	10,335,100		13,464,400	13,464,400		13,790,200	13,790,200	
Public Service Commission	8,218,900	8,218,900		13,000,000	13,000,000		13,000,000	13,000,000	
Tax Appeals	439,800	439,800		439,800	439,800		439,800	439,800	
Labor	2,410,000	2,410,000		2,121,100	2,121,100		2,121,300	2,121,300	
Regular Appropriation	104,276,000	104,276,000		85,809,300	85,952,300	143,000	92,274,100	92,333,700	59,600

GENERAL FUND

CONTINUED RESERVE SPENDING SUMMARY BY APPROPRIATION UNIT

Public Service Commission	1,155,200	1,155,200	(2,500,000)	(2,860,700)	(360,700)	(2,250,000)	(2,610,700)	(360,700)
Reserve Spending	1,155,200	1,155,200	(2,500,000)	(2,860,700)	(360,700)	(2,250,000)	(2,610,700)	(360,700)

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

ENVIRONMENTAL AND PUBLIC PROTECTION CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
RESTRICTED FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
General Administration and Program Support	6,186,500	6,186,500		6,560,900	6,560,900		5,963,200	5,963,200	
Environmental Protection	38,052,200	38,052,200		29,173,900	34,923,900	5,750,000	36,224,000	34,974,000	(1,250,000)
Natural Resources	5,822,300	5,822,300		6,894,600	7,144,600	250,000	4,822,900	5,072,900	250,000
Mine Reclamation and Enforcement	3,353,700	3,353,700		7,604,400	7,604,400		9,712,900	9,712,900	
Environmental Quality Commission	221,000	221,000		232,100	232,100		239,100	239,100	
Kentucky Nature Preserves Commission	402,800	402,800		355,300	355,300		355,300	355,300	
Public Protection Commissioner	812,300	812,300		884,000	884,000		900,300	900,300	
Boxing and Wrestling Authority	100,000	100,000		100,000	100,000		100,000	100,000	
Petroleum Storage Tank Environmental Assurance Fund	28,878,400	28,878,400		29,183,100	29,183,100		29,261,000	29,261,000	
Alcoholic Beverage Control	4,131,600	4,131,600		4,196,800	4,196,800		4,350,300	4,350,300	
Charitable Gaming	3,143,200	3,143,200		3,057,600	3,057,600		3,092,900	3,092,900	
Board of Claims/Crime Victims' Compensation Board	1,929,400	1,929,400		1,684,200	1,684,200		1,715,300	1,715,300	
Financial Institutions	9,222,700	9,222,700		9,213,100	9,213,100		9,213,200	9,213,200	
Horse Racing Authority	27,867,500	27,867,500		28,010,000	28,010,000		27,934,600	27,934,600	
Housing, Buildings and Construction	14,592,400	14,592,400		15,826,400	15,826,400		17,292,500	17,292,500	
Insurance	21,719,900	21,719,900		20,358,300	20,358,300		20,651,000	20,651,000	
Mine Safety Review Commission				5,000	5,000		5,500	5,500	
Mine Safety and Licensing	2,397,200	2,397,200		1,947,500	1,947,500		1,952,000	1,952,000	
Public Service Commission	810,700	810,700		840,900	840,900		840,900	840,900	
Labor	111,159,800	111,159,800		93,911,300	93,911,300		94,777,300	94,777,300	
Occupational Safety and Health Review Commission	484,400	484,400		495,300	495,300		505,800	505,800	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY**ENVIRONMENTAL AND PUBLIC PROTECTION CABINET OPERATING BUDGET**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
Workers' Compensation Board	920,200	920,200		949,200	949,200		969,000	969,000	
Workers' Compensation Funding Commission	122,572,200	122,572,200		107,987,800	107,987,800		108,468,400	108,468,400	
Regular Appropriation	404,780,400	404,780,400		369,471,700	375,471,700	6,000,000	379,347,400	378,347,400	(1,000,000)

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

ENVIRONMENTAL AND PUBLIC PROTECTION CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
FEDERAL FUNDS									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
General Administration and Program Support	1,514,200	1,514,200		1,554,600	1,554,600		1,566,400	1,566,400	
Environmental Protection	20,076,800	20,076,800		20,802,400	20,802,400		20,558,600	20,558,600	
Natural Resources	6,704,800	6,704,800		7,253,000	7,253,000		7,253,000	7,253,000	
Mine Reclamation and Enforcement	18,532,900	18,532,900		19,203,500	19,203,500		19,773,200	19,773,200	
Abandoned Mine Land Reclamation Projects	22,000,000	22,000,000		22,000,000	22,000,000		29,000,000	29,000,000	
Kentucky Nature Preserves Commission	585,500	585,500		100,200	100,200		45,600	45,600	
Board of Claims/Crime Victims' Compensation Board	940,100	940,100		540,100	540,100		540,100	540,100	
Insurance	2,381,600	2,381,600							
Mine Safety and Licensing	631,100	631,100		631,100	631,100		631,100	631,100	
Public Service Commission	218,300	218,300		218,300	218,300		218,300	218,300	
Labor	3,294,100	3,294,100		3,239,200	3,239,200		3,236,400	3,236,400	
Regular Appropriation	76,879,400	76,879,400		75,542,400	75,542,400		82,822,700	82,822,700	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

ENVIRONMENTAL AND PUBLIC PROTECTION CABINET OPERATING BUDGET

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
ROAD FUND									
REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT									
Environmental Protection	300,000	300,000		300,000	300,000		300,000	300,000	
Regular Appropriation	300,000	300,000		300,000	300,000		300,000	300,000	

F - Environmental and Public Protection Cabinet

Operating Budget

General Administration and Program Support

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	8,583,000	8,583,000		7,517,000	7,517,000		8,001,000	8,001,000	
Restricted Funds	6,186,500	6,186,500		6,560,900	6,560,900		5,963,200	5,963,200	
Federal Funds	1,514,200	1,514,200		1,554,600	1,554,600		1,566,400	1,566,400	
Regular Total Funds	16,283,700	16,283,700		15,632,500	15,632,500		15,530,600	15,530,600	
Use of Continuing									
TOTAL FUNDS	16,283,700	16,283,700		15,632,500	15,632,500		15,530,600	15,530,600	
II. EXPENDITURE CATEGORY									
Personnel Costs	14,536,000	14,536,000		13,362,500	13,362,500		13,365,800	13,365,800	
Operating Expenses	1,734,700	1,734,700		2,257,000	2,257,000		1,709,800	1,709,800	
Debt Service							442,000	442,000	
Capital Outlay	13,000	13,000		13,000	13,000		13,000	13,000	
TOTAL EXPENDITURES	16,283,700	16,283,700		15,632,500	15,632,500		15,530,600	15,530,600	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	8,583,000	8,583,000		7,517,000	7,517,000		8,001,000	8,001,000	
Restricted Funds	6,186,500	6,186,500		6,560,900	6,560,900		5,963,200	5,963,200	
Federal Funds	1,514,200	1,514,200		1,554,600	1,554,600		1,566,400	1,566,400	
Regular Total Funds	16,283,700	16,283,700		15,632,500	15,632,500		15,530,600	15,530,600	
Use of Continuing									
TOTAL BASE LEVEL	16,283,700	16,283,700		15,632,500	15,632,500		15,530,600	15,530,600	
TRANSFERS TO THE GENERAL FUND									
General Administration and Program Support									
Kentucky Heritage Land Conservation Fund (KRS 146.570) A \$10,000,000 capital appropriation from bond funds in Part II, Capital Projects Budget, of this Act will be used to replace this transfer of funds to the General Fund.				10,000,000	10,000,000				
Kentucky Pride Trust Fund (KRS 224.43-505(1))				2,000,000	1,250,000	(750,000)		1,250,000	1,250,000
Kentucky Pride Trust Fund Pursuant to KRS 224.43-505(2)(a)3., these funds transfers to the General Fund support the General Fund debt service on the bonds sold as appropriated by 2003 Ky. Acts ch. 156, Part II, A., 3., c.				2,006,300	2,006,300		2,006,300	2,006,300	
TOTAL				14,006,300	13,256,300	(750,000)	2,006,300	3,256,300	1,250,000

GENERAL ADMINISTRATION AND PROGRAM SUPPORT

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes transfers from Kentucky Heritage Land Conservation Fund, Restricted Funds of \$10,000,000 in fiscal year 2008-2009; Kentucky Pride Trust Fund, Restricted Funds of \$2,000,000 in fiscal year 2008-2009 and additional Restricted Funds of \$2,006,300 in fiscal year 2008-2009 and \$2,006,300 in fiscal year 2009-2010 for debt service on previously issued bonds.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Debt Service: Included in the above General Fund appropriation is \$442,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

"Use of Rockwell Settlement Funds: Pursuant to KRS 48.005(5), in fiscal year 2007-2008 \$1,500,000 shall be transferred from the Rockwell International Corporation NR Damage Fund to the Logan County Fiscal Court to acquire, restore, or replace natural resources in accordance with the Agreed Order to construct a park along Town Branch Creek in Russellville."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly amends Part I, Operating Budget, language provision as follows:

GENERAL ADMINISTRATION AND PROGRAM SUPPORT

"Use of Rockwell Settlement Funds: Pursuant to KRS 48.005(5), in fiscal year 2007-2008 \$1,500,000 shall be transferred from the Rockwell International Corporation NR Damage Fund to the City of Russellville to acquire, restore, or replace natural resources in accordance with the Agreed Order to construct a park along Town Branch Creek in Russellville."

The General Assembly amends Part V, Funds Transfer, to include the Kentucky Pride Trust Funds transfer of \$1,250,000 in fiscal year 2008-2009 and \$1,250,000 in fiscal year 2009-2010 and additional Restricted Funds of \$2,006,300 in fiscal year 2008-2009 and \$2,006,300 in fiscal year 2009-2010 for debt service on previously issued bonds.

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F - Environmental and Public Protection Cabinet**Capital Budget****General Administration and Program Support**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				3,000,000	3,000,000		3,000,000	3,000,000	
Federal Funds				1,000,000	1,000,000		1,000,000	1,000,000	
Bond Funds				10,000,000	10,000,000				
Investment Income				200,000	200,000		200,000	200,000	
TOTAL CAPITAL				14,200,000	14,200,000		4,200,000	4,200,000	

II. CAPITAL PROJECTS

1	Kentucky Heritage Land Conservation Fund - Additional								
PRJ569A1378									
Restricted Funds				3,000,000	3,000,000		3,000,000	3,000,000	
Federal Funds				1,000,000	1,000,000		1,000,000	1,000,000	
Bond Funds				10,000,000	10,000,000				
Project Total				14,000,000	14,000,000		4,000,000	4,000,000	
2	Maintenance Pool - 2008-2010								
PRJ569A1380									
Investment Income				200,000	200,000		200,000	200,000	
Project Total				200,000	200,000		200,000	200,000	
TOTAL CAPITAL				14,200,000	14,200,000		4,200,000	4,200,000	

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F - Environmental and Public Protection Cabinet**Operating Budget****Environmental Protection**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	26,255,800	26,255,800		22,283,600	22,283,600		23,639,800	23,639,800	
Restricted Funds	38,052,200	38,052,200		29,173,900	34,923,900	5,750,000	36,224,000	34,974,000	(1,250,000)
Federal Funds	20,076,800	20,076,800		20,802,400	20,802,400		20,558,600	20,558,600	
Road Fund	300,000	300,000		300,000	300,000		300,000	300,000	
Regular Total Funds	84,684,800	84,684,800		72,559,900	78,309,900	5,750,000	80,722,400	79,472,400	(1,250,000)
Use of Continuing									
TOTAL FUNDS	84,684,800	84,684,800		72,559,900	78,309,900	5,750,000	80,722,400	79,472,400	(1,250,000)
II. EXPENDITURE CATEGORY									
Personnel Costs	52,210,000	52,210,000		52,124,100	52,124,100		53,060,700	53,060,700	
Operating Expenses	7,540,900	7,540,900		7,473,500	7,473,500		7,402,600	7,402,600	
Grants, Loans, Benefits	14,820,400	14,820,400		8,184,500	13,934,500	5,750,000	15,467,500	14,217,500	(1,250,000)
Debt Service							91,000	91,000	
Capital Outlay	1,359,500	1,359,500		1,320,400	1,320,400		1,263,100	1,263,100	
Construction	8,754,000	8,754,000		3,457,400	3,457,400		3,437,500	3,437,500	
TOTAL EXPENDITURES	84,684,800	84,684,800		72,559,900	78,309,900	5,750,000	80,722,400	79,472,400	(1,250,000)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	26,255,800	26,255,800		22,283,600	22,283,600		23,639,800	23,639,800	
Restricted Funds	38,052,200	38,052,200		28,916,900	34,666,900	5,750,000	35,798,500	34,548,500	(1,250,000)
Federal Funds	20,076,800	20,076,800		19,282,900	19,282,900		19,184,200	19,184,200	
Road Fund	300,000	300,000		300,000	300,000		300,000	300,000	
Regular Total Funds	84,684,800	84,684,800		70,783,400	76,533,400	5,750,000	78,922,500	77,672,500	(1,250,000)
Use of Continuing									
TOTAL BASE LEVEL	84,684,800	84,684,800		70,783,400	76,533,400	5,750,000	78,922,500	77,672,500	(1,250,000)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				257,000	257,000		425,500	425,500	
Federal Funds				1,519,500	1,519,500		1,374,400	1,374,400	
TOTAL ADDITIONAL				1,776,500	1,776,500		1,799,900	1,799,900	
V. ADDITIONAL BUDGET ITEMS									
1 GB Compliance Assistance									
ABR590B0004 Provides funds to support 2 positions.									
Restricted Funds				87,800	87,800		245,900	245,900	
Federal Funds				152,400	152,400		88,700	88,700	
Project Total				240,200	240,200		334,600	334,600	

F - Environmental and Public Protection Cabinet**Operating Budget****Environmental Protection**

			Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
			Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2	GB	Waste Management									
ABR590B0016 Provides funds to support 5 full-time positions.											
Federal Funds						603,900	603,900		651,000	651,000	
Project Total						603,900	603,900		651,000	651,000	
3	GB	Enforcement									
ABR590B0003 Provides funds to support 2 full-time positions.											
Restricted Funds						10,600	10,600		11,400	11,400	
Federal Funds						95,000	95,000		95,000	95,000	
Project Total						105,600	105,600		106,400	106,400	
4	EXPAN	Water Division - Permitting/Tempo Computer System Support									
ABR590B0010 Provides funds to fill 1 vacant position.											
Restricted Funds						10,700	10,700		11,300	11,300	
Federal Funds						37,800	37,800		36,500	36,500	
Project Total						48,500	48,500		47,800	47,800	
5	EXPAN	Waste Management - Paper Recycling Program									
ABR590B0017 Provides funds to support 1 full-time position.											
Restricted Funds						40,500	40,500		43,900	43,900	
Project Total						40,500	40,500		43,900	43,900	
6	NEW	Water Division - Groundwater Monitoring									
ABR590B0009 Provides funds to fill 5 positions and purchase 1 motor vehicle.											
Restricted Funds						81,500	81,500		85,700	85,700	
Federal Funds						329,900	329,900		277,600	277,600	
Project Total						411,400	411,400		363,300	363,300	
7	EXPAN	Waste Management - Superfund Contractor Oversight									
ABR590B0018 Provides funds to support 1 full-time position.											
Federal Funds						54,400	54,400		62,200	62,200	
Project Total						54,400	54,400		62,200	62,200	
8	EXPAN	Waste Management - Bluegrass Chemical Agent Destruction									
ABR590B0020 Provides funds to support 1 full-time position.											
Federal Funds						74,200	74,200		79,700	79,700	
Project Total						74,200	74,200		79,700	79,700	

F - Environmental and Public Protection Cabinet**Operating Budget****Environmental Protection**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
9 EXPAN Water Division - Basin Coordinators									
ABR590B0006 Provides funds to support 2 full-time positions and purchase 1 motor vehicle.									
Restricted Funds				25,900	25,900		27,300	27,300	
Federal Funds				171,900	171,900		83,700	83,700	
Project Total				197,800	197,800		111,000	111,000	
TOTAL ADDITIONAL				1,776,500	1,776,500		1,799,900	1,799,900	

ENVIRONMENTAL PROTECTION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Municipal Solid Waste Landfill Inspectors: Notwithstanding KRS 224.43-320, no funds are provided in the above appropriations for the assignment of full-time inspectors to each municipal solid waste landfill operating in the Commonwealth."

"Debt Service: Included in the above General Fund appropriation is \$91,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

"Hazardous Waste Fund: Notwithstanding KRS 224.46-580(7), the annual hazardous waste assessment as set forth in KRS 224.46-580(8) shall continue until June 30, 2010."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly deletes Part I, Operating Budget, language provision as follows:

"Hazardous Waste Fund: Notwithstanding KRS 224.46-580(7), the annual hazardous waste assessment as set forth in KRS 224.46-580(8) shall continue until June 30, 2010."

ENVIRONMENTAL PROTECTION

The General Assembly adds a Part I, Operating Budget, language provision as follows:

"Kentucky Pride Program: Included in the above Restricted Funds appropriation is \$14,750,000 in each fiscal year for the Kentucky Pride Program."

The General Assembly decreases Restricted Funds support totalling \$1,250,000 in fiscal year 2008-2009 and \$1,250,000 in fiscal year 2009-2010 for the Kentucky Pride Program.

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F - Environmental and Public Protection Cabinet**Capital Budget****Environmental Protection**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Restricted Funds				2,600,000	2,600,000		2,600,000	2,600,000	
Bond Funds				2,000,000	2,000,000				
TOTAL CAPITAL				4,600,000	4,600,000		2,600,000	2,600,000	
II. CAPITAL PROJECTS									
1	Hazardous Waste Management Fund - 2008-2010								
PRJ590B1673									
Restricted Funds				2,100,000	2,100,000		2,100,000	2,100,000	
Project Total				2,100,000	2,100,000		2,100,000	2,100,000	
2	State-Owned Dam Repair - 2008-2010								
PRJ590B1675									
Bond Funds				2,000,000	2,000,000				
Project Total				2,000,000	2,000,000				
3	State-Funded Leaking Underground Storage Tanks - 2008-2010								
PRJ590B1674									
Restricted Funds				500,000	500,000		500,000	500,000	
Project Total				500,000	500,000		500,000	500,000	
4	Franklin County - Lease								
PRJ590B5001									
General Fund									
Project Total									
5	Franklin County - Lease								
PRJ590B5000									
General Fund									
Project Total									
TOTAL CAPITAL				4,600,000	4,600,000		2,600,000	2,600,000	

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F - Environmental and Public Protection Cabinet**Operating Budget****Natural Resources**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	9,000,000	9,000,000		9,000,000	9,000,000		9,000,000	9,000,000	
General Fund	14,755,000	14,755,000		11,760,700	11,760,700		14,135,200	14,135,200	
Restricted Funds	5,822,300	5,822,300		6,894,600	7,144,600	250,000	4,822,900	5,072,900	250,000
Federal Funds	6,704,800	6,704,800		7,253,000	7,253,000		7,253,000	7,253,000	
Regular Total Funds	36,282,100	36,282,100		34,908,300	35,158,300	250,000	35,211,100	35,461,100	250,000
Use of Continuing	9,152,800	9,152,800							
TOTAL FUNDS	45,434,900	45,434,900		34,908,300	35,158,300	250,000	35,211,100	35,461,100	250,000
II. EXPENDITURE CATEGORY									
Personnel Costs	15,602,300	15,602,300		15,263,700	15,513,700	250,000	15,739,000	15,989,000	250,000
Operating Expenses	3,770,200	3,770,200		3,077,600	3,077,600		3,073,000	3,073,000	
Grants, Loans, Benefits	24,042,300	24,042,300		14,139,400	14,139,400		13,971,500	13,971,500	
Capital Outlay	1,020,100	1,020,100		427,600	427,600		427,600	427,600	
Construction	1,000,000	1,000,000		2,000,000	2,000,000		2,000,000	2,000,000	
TOTAL EXPENDITURES	45,434,900	45,434,900		34,908,300	35,158,300	250,000	35,211,100	35,461,100	250,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund (Tobacco)	9,000,000	9,000,000		9,000,000	9,000,000		9,000,000	9,000,000	
General Fund	14,755,000	14,755,000		11,760,700	11,760,700		14,135,200	14,135,200	
Restricted Funds	5,822,300	5,822,300		6,894,600	6,894,600		4,822,900	4,822,900	
Federal Funds	6,704,800	6,704,800		6,862,200	6,862,200		6,862,200	6,862,200	
Regular Total Funds	36,282,100	36,282,100		34,517,500	34,517,500		34,820,300	34,820,300	
Use of Continuing	9,152,800	9,152,800							
TOTAL BASE LEVEL	45,434,900	45,434,900		34,517,500	34,517,500		34,820,300	34,820,300	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds					250,000	250,000		250,000	250,000
Federal Funds				390,800	390,800		390,800	390,800	
TOTAL ADDITIONAL				390,800	640,800	250,000	390,800	640,800	250,000
V. ADDITIONAL BUDGET ITEMS									
1 GB Forestry									
ABRNR00001 Provides funds to support 11 positions and purchase 1 vehicle.									
Federal Funds				390,800	390,800		390,800	390,800	
Project Total				390,800	390,800		390,800	390,800	

F - Environmental and Public Protection Cabinet**Operating Budget****Natural Resources**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2 GB Forestry Tree Nurseries								
ABRNRC00002 Provides Restricted Funds support to the tree nursery programs.								
Restricted Funds				250,000	250,000		250,000	250,000
Project Total				250,000	250,000		250,000	250,000
TOTAL ADDITIONAL			390,800	640,800	250,000	390,800	640,800	250,000

TRANSFERS TO THE GENERAL FUND**Natural Resources**

Agency Revenue Fund				250,000	250,000		250,000	250,000
(KRS 146.570(3), 149.280(2), 149.670, 353.590(3))								
TOTAL				250,000	250,000		250,000	250,000

NATURAL RESOURCES

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Emergency Forest Fire Suppression: Not less than \$240,000 of the above General Fund appropriation for each fiscal year shall be set aside for emergency forest fire suppression. There is appropriated from the General Fund the necessary funds, subject to the conditions and procedures provided in this Act, which are required as a result of emergency fire suppression activities in excess of \$240,000. Fire suppression costs in excess of \$240,000 annually shall be deemed necessary government expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705)."

"Use of Settlement Funds: Pursuant to KRS 48.005(5), \$1,000,000 shall be transferred from the Martin County Damage Trust Fund and \$1,000,000 shall be transferred from the Rockwell International Corporation NR Damage Fund in fiscal year 2008-2009 to the Division of Forestry for purposes of acquisition, restoration, or replacement of natural resources as required by the settlements' respective Agreed Orders."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly adds Part I, Operating Budget, language provision as follows:

"Forestry Tree Nurseries: Included in the above Restricted Funds appropriation is \$250,000 in each fiscal year for the Department of

NATURAL RESOURCES

Natural Resources' tree nursery programs in Morgan County and Marshall County which shall maintain normal business operations through the biennium."

The General Assembly increases Restricted Funds support totalling \$250,000 in fiscal year 2008-2009 and \$250,000 in fiscal year 2009-2010 for the tree nursery programs in Morgan County and Marshall County.

The General Assembly amends Part V, Funds Transfer, to include Restricted Funds totalling \$250,000 in fiscal year 2008-2009 and \$250,000 in fiscal year 2009-2010.

The Governor of the Commonwealth vetoes the following Part I, Operating Budget, language provision regarding tree nurseries:

Veto # 4 of HB 406 - *"I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:*

Page 63, line 18, after 'Marshall County' delete the rest of the line.
Page 63, line 19, beginning with 'normal' through 'biennium'.

I am vetoing this provision because the Secretary of the Environmental and Public Protection Cabinet will need unprecedented flexibility in implementing a budget that has been reduced approximately twenty-two percent from its fiscal year 2008 base level of funding. The vetoed part mandates the two state tree nurseries maintain normal business operations through the biennium. Every effort will be made to maintain the current two nurseries with available funding. The protection of the citizens of the Commonwealth is of utmost importance to me. The same governmental program that is responsible for maintaining these tree nurseries is also responsible for all of the fire suppression activities in the state. Therefore the Secretary must have the flexibility to use any available funds to ensure that the health and safety of the citizens of the Commonwealth are maintained."

F - Environmental and Public Protection Cabinet**Operating Budget****Mine Reclamation and Enforcement**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	10,417,000	10,417,000		9,531,000	9,531,000		9,689,500	9,689,500	
Restricted Funds	3,353,700	3,353,700		7,604,400	7,604,400		9,712,900	9,712,900	
Federal Funds	18,532,900	18,532,900		19,203,500	19,203,500		19,773,200	19,773,200	
Regular Total Funds	32,303,600	32,303,600		36,338,900	36,338,900		39,175,600	39,175,600	
Use of Continuing									
TOTAL FUNDS	32,303,600	32,303,600		36,338,900	36,338,900		39,175,600	39,175,600	
II. EXPENDITURE CATEGORY									
Personnel Costs	25,571,900	25,571,900		28,045,200	28,045,200		29,750,400	29,750,400	
Operating Expenses	4,160,200	4,160,200		3,579,600	3,579,600		3,710,600	3,710,600	
Grants, Loans, Benefits	1,355,700	1,355,700		1,472,300	1,472,300		1,458,600	1,458,600	
Capital Outlay	1,065,800	1,065,800		840,700	840,700		854,900	854,900	
Construction	150,000	150,000		2,401,100	2,401,100		3,401,100	3,401,100	
TOTAL EXPENDITURES	32,303,600	32,303,600		36,338,900	36,338,900		39,175,600	39,175,600	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	10,417,000	10,417,000		9,531,000	9,531,000		9,689,500	9,689,500	
Restricted Funds	3,353,700	3,353,700		3,610,700	3,610,700		3,680,900	3,680,900	
Federal Funds	18,532,900	18,532,900		18,203,800	18,203,800		18,695,900	18,695,900	
Regular Total Funds	32,303,600	32,303,600		31,345,500	31,345,500		32,066,300	32,066,300	
Use of Continuing									
TOTAL BASE LEVEL	32,303,600	32,303,600		31,345,500	31,345,500		32,066,300	32,066,300	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				3,993,700	3,993,700		6,032,000	6,032,000	
Federal Funds				999,700	999,700		1,077,300	1,077,300	
TOTAL ADDITIONAL				4,993,400	4,993,400		7,109,300	7,109,300	
V. ADDITIONAL BUDGET ITEMS									
1 GB Abandoned Mine Lands									
ABRNR00003 Provides funds to support 20 full-time positions and additional reclamation projects.									
Restricted Funds				3,993,700	3,993,700		6,032,000	6,032,000	
Federal Funds				999,700	999,700		1,077,300	1,077,300	
Project Total				4,993,400	4,993,400		7,109,300	7,109,300	

FB 2008-2010 FINAL BUDGET MEMORANDUM - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY**F - Environmental and Public Protection Cabinet****Operating Budget****Mine Reclamation and Enforcement**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL ADDITIONAL				4,993,400	4,993,400		7,109,300	7,109,300	

MINE RECLAMATION AND ENFORCEMENT

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Return of Permit and Acreage Fees: Included in the above General Fund appropriation is \$600,000 in each fiscal year for the return of permit and acreage fees under KRS 350.139. Any required expenditure for this purpose in excess of this amount in either fiscal year is appropriated to the department."

"Temporary Deposit Escrow Funds: Notwithstanding KRS 350.060, 350.070, and 350.139 and pursuant to KRS 350.163 and 350.465(3)(k), \$268,200 in fiscal year 2008-2009 and \$300,000 in fiscal year 2009-2010 shall be transferred from the Temporary Deposit Escrow account to the Division of Permits."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

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F - Environmental and Public Protection Cabinet**Capital Budget****Mine Reclamation and Enforcement**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

II. CAPITAL PROJECTS**1 Franklin County - Lease**

PRJNRF05000

General Fund

Project Total**TOTAL CAPITAL**

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F - Environmental and Public Protection Cabinet

Operating Budget

Abandoned Mine Land Reclamation Projects

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Federal Funds	22,000,000	22,000,000		22,000,000	22,000,000		29,000,000	29,000,000	
Regular Total Funds	22,000,000	22,000,000		22,000,000	22,000,000		29,000,000	29,000,000	
Use of Continuing									
TOTAL FUNDS	22,000,000	22,000,000		22,000,000	22,000,000		29,000,000	29,000,000	
II. EXPENDITURE CATEGORY									
Personnel Costs	450,000	450,000		1,000,000	1,000,000		3,000,000	3,000,000	
Grants, Loans, Benefits	9,700,000	9,700,000		9,000,000	9,000,000		10,300,000	10,300,000	
Construction	11,850,000	11,850,000		12,000,000	12,000,000		15,700,000	15,700,000	
TOTAL EXPENDITURES	22,000,000	22,000,000		22,000,000	22,000,000		29,000,000	29,000,000	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Federal Funds	22,000,000	22,000,000		22,000,000	22,000,000		22,000,000	22,000,000	
Regular Total Funds	22,000,000	22,000,000		22,000,000	22,000,000		22,000,000	22,000,000	
Use of Continuing									
TOTAL BASE LEVEL	22,000,000	22,000,000		22,000,000	22,000,000		22,000,000	22,000,000	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Federal Funds							7,000,000	7,000,000	
TOTAL ADDITIONAL							7,000,000	7,000,000	
V. ADDITIONAL BUDGET ITEMS									
1 GB AML Projects									
ABRNRM00001 Provides funds to support additional abandoned mine lands projects.									
Federal Funds							7,000,000	7,000,000	
Project Total							7,000,000	7,000,000	
TOTAL ADDITIONAL							7,000,000	7,000,000	

ABANDONED MINE LAND RECLAMATION PROJECTS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

F - Environmental and Public Protection Cabinet**Operating Budget****Environmental Quality Commission**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	221,000	221,000		232,100	232,100		239,100	239,100	
Regular Total Funds	221,000	221,000		232,100	232,100		239,100	239,100	
Use of Continuing									
TOTAL FUNDS	221,000	221,000		232,100	232,100		239,100	239,100	
II. EXPENDITURE CATEGORY									
Personnel Costs	188,700	188,700		194,800	194,800		201,800	201,800	
Operating Expenses	32,300	32,300		37,300	37,300		37,300	37,300	
TOTAL EXPENDITURES	221,000	221,000		232,100	232,100		239,100	239,100	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	221,000	221,000		232,100	232,100		239,100	239,100	
Regular Total Funds	221,000	221,000		232,100	232,100		239,100	239,100	
Use of Continuing									
TOTAL BASE LEVEL	221,000	221,000		232,100	232,100		239,100	239,100	

ENVIRONMENTAL QUALITY COMMISSION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

F - Environmental and Public Protection Cabinet**Operating Budget****Kentucky Nature Preserves Commission**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	1,181,100	1,181,100		1,088,100	1,181,100	93,000	1,171,500	1,181,100	9,600
Restricted Funds	402,800	402,800		355,300	355,300		355,300	355,300	
Federal Funds	585,500	585,500		100,200	100,200		45,600	45,600	
Regular Total Funds	2,169,400	2,169,400		1,543,600	1,636,600	93,000	1,572,400	1,582,000	9,600
Use of Continuing									
TOTAL FUNDS	2,169,400	2,169,400		1,543,600	1,636,600	93,000	1,572,400	1,582,000	9,600
II. EXPENDITURE CATEGORY									
Personnel Costs	1,359,900	1,359,900		1,248,800	1,248,800		1,337,200	1,337,200	
Operating Expenses	224,700	224,700		218,900	311,900	93,000	209,300	218,900	9,600
Grants, Loans, Benefits	20,900	20,900		75,900	75,900		25,900	25,900	
Capital Outlay	13,900	13,900							
Construction	550,000	550,000							
TOTAL EXPENDITURES	2,169,400	2,169,400		1,543,600	1,636,600	93,000	1,572,400	1,582,000	9,600
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	1,181,100	1,181,100		1,088,100	1,181,100	93,000	1,171,500	1,181,100	9,600
Restricted Funds	402,800	402,800		355,300	355,300		355,300	355,300	
Federal Funds	585,500	585,500		100,200	100,200		45,600	45,600	
Regular Total Funds	2,169,400	2,169,400		1,543,600	1,636,600	93,000	1,572,400	1,582,000	9,600
Use of Continuing									
TOTAL BASE LEVEL	2,169,400	2,169,400		1,543,600	1,636,600	93,000	1,572,400	1,582,000	9,600

KENTUCKY NATURE PRESERVES COMMISSION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly provides General Fund support totalling \$93,000 in fiscal year 2008-2009 and \$9,600 in fiscal year 2009-2010 for the operating funds of the Kentucky Nature Preserves Commission.

F - Environmental and Public Protection Cabinet**Operating Budget****Public Protection Commissioner**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	812,300	812,300		884,000	884,000		900,300	900,300	
Regular Total Funds	812,300	812,300		884,000	884,000		900,300	900,300	
Use of Continuing									
TOTAL FUNDS	812,300	812,300		884,000	884,000		900,300	900,300	
II. EXPENDITURE CATEGORY									
Personnel Costs	646,400	646,400		720,400	720,400		737,000	737,000	
Operating Expenses	165,900	165,900		152,900	152,900		163,300	163,300	
Capital Outlay				10,700	10,700				
TOTAL EXPENDITURES	812,300	812,300		884,000	884,000		900,300	900,300	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	812,300	812,300		884,000	884,000		900,300	900,300	
Regular Total Funds	812,300	812,300		884,000	884,000		900,300	900,300	
Use of Continuing									
TOTAL BASE LEVEL	812,300	812,300		884,000	884,000		900,300	900,300	
TRANSFERS TO THE GENERAL FUND									
Public Protection Commissioner									
Agency Revenue Fund				600,000	600,000		800,000	800,000	
TOTAL				600,000	600,000		800,000	800,000	

PUBLIC PROTECTION COMMISSIONER

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes transfers from Public Protection Commissioner, Restricted Funds of \$600,000 in fiscal year 2008-2009, and \$800,000 in fiscal year 2009-2010.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

F - Environmental and Public Protection Cabinet**Operating Budget****Boxing and Wrestling Authority**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	100,000	100,000		100,000	100,000		100,000	100,000	
Regular Total Funds	100,000	100,000		100,000	100,000		100,000	100,000	
Use of Continuing									
TOTAL FUNDS	100,000	100,000		100,000	100,000		100,000	100,000	
II. EXPENDITURE CATEGORY									
Personnel Costs	38,800	38,800		56,400	56,400		57,600	57,600	
Operating Expenses	61,200	61,200		43,600	43,600		42,400	42,400	
TOTAL EXPENDITURES	100,000	100,000		100,000	100,000		100,000	100,000	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	100,000	100,000		100,000	100,000		100,000	100,000	
Regular Total Funds	100,000	100,000		100,000	100,000		100,000	100,000	
Use of Continuing									
TOTAL BASE LEVEL	100,000	100,000		100,000	100,000		100,000	100,000	

BOXING AND WRESTLING AUTHORITY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

F - Environmental and Public Protection Cabinet

Operating Budget

Petroleum Storage Tank Environmental Assurance Fund

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	3,479,000	3,479,000					1,679,000	1,679,000	
Restricted Funds	28,878,400	28,878,400		29,183,100	29,183,100		29,261,000	29,261,000	
Regular Total Funds	32,357,400	32,357,400		29,183,100	29,183,100		30,940,000	30,940,000	
Use of Continuing									
TOTAL FUNDS	32,357,400	32,357,400		29,183,100	29,183,100		30,940,000	30,940,000	
II. EXPENDITURE CATEGORY									
Personnel Costs	2,829,200	2,829,200		3,081,600	3,081,600		3,159,200	3,159,200	
Operating Expenses	25,300,000	25,300,000		25,318,100	25,318,100		25,318,400	25,318,400	
Grants, Loans, Benefits	83,400	83,400		83,400	83,400		83,400	83,400	
Debt Service	3,479,000	3,479,000					1,679,000	1,679,000	
Capital Outlay	165,800	165,800		200,000	200,000		200,000	200,000	
Construction	500,000	500,000		500,000	500,000		500,000	500,000	
TOTAL EXPENDITURES	32,357,400	32,357,400		29,183,100	29,183,100		30,940,000	30,940,000	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	3,479,000	3,479,000					1,679,000	1,679,000	
Restricted Funds	28,878,400	28,878,400		29,183,100	29,183,100		29,261,000	29,261,000	
Regular Total Funds	32,357,400	32,357,400		29,183,100	29,183,100		30,940,000	30,940,000	
Use of Continuing									
TOTAL BASE LEVEL	32,357,400	32,357,400		29,183,100	29,183,100		30,940,000	30,940,000	
TRANSFERS TO THE GENERAL FUND									
Petroleum Storage Tank Environmental Assurance Fund									
Insurance Administration Fund				65,000,000	65,000,000		16,500,000	16,500,000	
(KRS 224.60-130, 224.60-140, 224.60-145, and 224.60-150) A \$25,000,000 capital appropriation from bond funds in Part II, Capital Projects Budget, of this Act will be used to partially replace this transfer of funds to the General Fund.									
TOTAL				65,000,000	65,000,000		16,500,000	16,500,000	

PETROLEUM STORAGE TANK ENVIRONMENTAL ASSURANCE FUND

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Petroleum Storage Tank Assurance Fund, Restricted Funds of \$65,000,000 in fiscal year 2008-2009, and \$16,500,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Debt Service: Included in the above General Fund appropriation is \$1,679,000 in fiscal year 2009-2010 for new debt service to support bonds as set forth in Part II, Capital Projects Budget, of this Act. Included in the above Restricted Funds appropriation in fiscal year 2008-2009 is \$25,000,000 for underground storage tank fund payments from new bonds as set forth in Part II, Capital Projects Budget, of this Act."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

F - Environmental and Public Protection Cabinet**Capital Budget****Petroleum Storage Tank Environmental Assurance Fund**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE								
Bond Funds			25,000,000	25,000,000				
TOTAL CAPITAL			25,000,000	25,000,000				

II. CAPITAL PROJECTS**1 Petroleum Storage Tank Environmental Assurance Fund**

PRJ590P5000

Bond Funds			25,000,000	25,000,000				
Project Total			25,000,000	25,000,000				
TOTAL CAPITAL			25,000,000	25,000,000				

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F - Environmental and Public Protection Cabinet**Operating Budget****Alcoholic Beverage Control**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	1,096,700	1,096,700		965,000	965,000		965,000	965,000	
Restricted Funds	4,131,600	4,131,600		4,196,800	4,196,800		4,350,300	4,350,300	
Regular Total Funds	5,228,300	5,228,300		5,161,800	5,161,800		5,315,300	5,315,300	
Use of Continuing									
TOTAL FUNDS	5,228,300	5,228,300		5,161,800	5,161,800		5,315,300	5,315,300	
II. EXPENDITURE CATEGORY									
Personnel Costs	4,335,700	4,335,700		4,251,700	4,251,700		4,387,300	4,387,300	
Operating Expenses	775,200	775,200		800,100	800,100		811,000	811,000	
Grants, Loans, Benefits	117,400	117,400		110,000	110,000		117,000	117,000	
TOTAL EXPENDITURES	5,228,300	5,228,300		5,161,800	5,161,800		5,315,300	5,315,300	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	1,096,700	1,096,700		965,000	965,000		965,000	965,000	
Restricted Funds	4,131,600	4,131,600		4,196,800	4,196,800		4,350,300	4,350,300	
Regular Total Funds	5,228,300	5,228,300		5,161,800	5,161,800		5,315,300	5,315,300	
Use of Continuing									
TOTAL BASE LEVEL	5,228,300	5,228,300		5,161,800	5,161,800		5,315,300	5,315,300	
TRANSFERS TO THE GENERAL FUND									
Alcoholic Beverage Control									
Agency Revenue Fund (KRS 243.025(1)(3))				500,000	500,000		350,000	350,000	
TOTAL				500,000	500,000		350,000	350,000	

ALCOHOLIC BEVERAGE CONTROL

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes transfers from the Office of Alcoholic Beverage Control, Restricted Funds of \$500,000 in fiscal year 2008-2009, and \$350,000 in fiscal year 2009-2010.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

F - Environmental and Public Protection Cabinet**Operating Budget****Charitable Gaming**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	3,143,200	3,143,200		3,057,600	3,057,600		3,092,900	3,092,900	
Regular Total Funds	3,143,200	3,143,200		3,057,600	3,057,600		3,092,900	3,092,900	
Use of Continuing									
TOTAL FUNDS	3,143,200	3,143,200		3,057,600	3,057,600		3,092,900	3,092,900	
II. EXPENDITURE CATEGORY									
Personnel Costs	2,403,400	2,403,400		2,636,500	2,636,500		2,672,500	2,672,500	
Operating Expenses	724,800	724,800		421,100	421,100		420,400	420,400	
Capital Outlay	15,000	15,000							
TOTAL EXPENDITURES	3,143,200	3,143,200		3,057,600	3,057,600		3,092,900	3,092,900	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	3,143,200	3,143,200		3,057,600	3,057,600		3,092,900	3,092,900	
Regular Total Funds	3,143,200	3,143,200		3,057,600	3,057,600		3,092,900	3,092,900	
Use of Continuing									
TOTAL BASE LEVEL	3,143,200	3,143,200		3,057,600	3,057,600		3,092,900	3,092,900	

CHARITABLE GAMING

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

F - Environmental and Public Protection Cabinet**Operating Budget****Board of Claims/Crime Victims' Compensation Board**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	816,900	816,900		740,000	740,000		740,000	740,000	
Restricted Funds	1,929,400	1,929,400		1,684,200	1,684,200		1,715,300	1,715,300	
Federal Funds	940,100	940,100		540,100	540,100		540,100	540,100	
Regular Total Funds	3,686,400	3,686,400		2,964,300	2,964,300		2,995,400	2,995,400	
Use of Continuing									
TOTAL FUNDS	3,686,400	3,686,400		2,964,300	2,964,300		2,995,400	2,995,400	
II. EXPENDITURE CATEGORY									
Personnel Costs	1,065,100	1,065,100		1,123,100	1,123,100		1,154,200	1,154,200	
Operating Expenses	1,721,300	1,721,300		1,230,200	1,230,200		1,241,200	1,241,200	
Grants, Loans, Benefits	900,000	900,000		600,000	600,000		600,000	600,000	
Capital Outlay				11,000	11,000				
TOTAL EXPENDITURES	3,686,400	3,686,400		2,964,300	2,964,300		2,995,400	2,995,400	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	816,900	816,900		740,000	740,000		740,000	740,000	
Restricted Funds	1,929,400	1,929,400		1,684,200	1,684,200		1,715,300	1,715,300	
Federal Funds	940,100	940,100		540,100	540,100		540,100	540,100	
Regular Total Funds	3,686,400	3,686,400		2,964,300	2,964,300		2,995,400	2,995,400	
Use of Continuing									
TOTAL BASE LEVEL	3,686,400	3,686,400		2,964,300	2,964,300		2,995,400	2,995,400	
TRANSFERS TO THE GENERAL FUND									
Board of Claims/Crime Victims' Compensation Board									
Agency Revenue Fund (KRS 346.185)							500,000	500,000	
TOTAL							500,000	500,000	

BOARD OF CLAIMS/CRIME VICTIMS' COMPENSATION BOARD

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Board of Claims/Crime Victims' Compensation Board, Restricted Funds of \$500,000 in fiscal year 2009-2010.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

F - Environmental and Public Protection Cabinet**Operating Budget****Financial Institutions**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	9,222,700	9,222,700		9,213,100	9,213,100		9,213,200	9,213,200	
Regular Total Funds	9,222,700	9,222,700		9,213,100	9,213,100		9,213,200	9,213,200	
Use of Continuing									
TOTAL FUNDS	9,222,700	9,222,700		9,213,100	9,213,100		9,213,200	9,213,200	
II. EXPENDITURE CATEGORY									
Personnel Costs	7,610,200	7,610,200		7,738,100	7,738,100		7,708,700	7,708,700	
Operating Expenses	1,532,500	1,532,500		1,475,000	1,475,000		1,504,500	1,504,500	
Capital Outlay	80,000	80,000							
TOTAL EXPENDITURES	9,222,700	9,222,700		9,213,100	9,213,100		9,213,200	9,213,200	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	9,222,700	9,222,700		8,901,100	8,901,100		8,901,200	8,901,200	
Regular Total Funds	9,222,700	9,222,700		8,901,100	8,901,100		8,901,200	8,901,200	
Use of Continuing									
TOTAL BASE LEVEL	9,222,700	9,222,700		8,901,100	8,901,100		8,901,200	8,901,200	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				312,000	312,000		312,000	312,000	
TOTAL ADDITIONAL				312,000	312,000		312,000	312,000	
V. ADDITIONAL BUDGET ITEMS									
1 GB Admin. Services									
ABRPPG00002 Provides funds for 1 position.									
Restricted Funds				62,000	62,000		62,000	62,000	
Project Total				62,000	62,000		62,000	62,000	
2 GB Div. of Financial Institutions									
ABRPPG00001 Provides funds for 3 full-time financial examiner positions.									
Restricted Funds				250,000	250,000		250,000	250,000	
Project Total				250,000	250,000		250,000	250,000	
TOTAL ADDITIONAL				312,000	312,000		312,000	312,000	

TRANSFERS TO THE GENERAL FUND**Financial Institutions**

F - Environmental and Public Protection Cabinet**Operating Budget****Financial Institutions**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TRANSFERS TO THE GENERAL FUND									
Agency Revenue Fund (KRS 286.01-485)	418,800	418,800		3,800,000	3,800,000		3,500,000	3,500,000	
TOTAL	418,800	418,800		3,800,000	3,800,000		3,500,000	3,500,000	

FINANCIAL INSTITUTIONS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes transfers from the Office of Financial Institutions, Restricted Funds of \$418,000 in fiscal year 2007-2008, \$3,800,000 in fiscal year 2008-2009, and \$3,500,000 in fiscal year 2009-2010.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

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F - Environmental and Public Protection Cabinet**Operating Budget****Horse Racing Authority**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE								
General Fund	504,200	504,200	443,700	443,700		443,700	443,700	
Restricted Funds	27,867,500	27,867,500	28,010,000	28,010,000		27,934,600	27,934,600	
Regular Total Funds	28,371,700	28,371,700	28,453,700	28,453,700		28,378,300	28,378,300	
Use of Continuing								
TOTAL FUNDS	28,371,700	28,371,700	28,453,700	28,453,700		28,378,300	28,378,300	
II. EXPENDITURE CATEGORY								
Personnel Costs	2,485,300	2,485,300	2,706,900	2,706,900		2,776,800	2,776,800	
Operating Expenses	1,494,600	1,494,600	1,411,800	1,411,800		1,264,600	1,264,600	
Grants, Loans, Benefits	24,316,800	24,316,800	24,315,000	24,315,000		24,316,900	24,316,900	
Capital Outlay	75,000	75,000	20,000	20,000		20,000	20,000	
TOTAL EXPENDITURES	28,371,700	28,371,700	28,453,700	28,453,700		28,378,300	28,378,300	
III. BASE LEVEL BUDGET BY FUND SOURCE								
General Fund	504,200	504,200	443,700	443,700		443,700	443,700	
Restricted Funds	27,867,500	27,867,500	27,756,000	27,756,000		27,657,600	27,657,600	
Regular Total Funds	28,371,700	28,371,700	28,199,700	28,199,700		28,101,300	28,101,300	
Use of Continuing								
TOTAL BASE LEVEL	28,371,700	28,371,700	28,199,700	28,199,700		28,101,300	28,101,300	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE								
Restricted Funds			254,000	254,000		277,000	277,000	
TOTAL ADDITIONAL			254,000	254,000		277,000	277,000	
V. ADDITIONAL BUDGET ITEMS								
1 GB Div. of Admin. & Regulation of Racing								
ABRPPA00004	Provides funds for 7 full-time positions to handle background checks, increased testing and supervision of pari-mutuel wagering.							
Restricted Funds			254,000	254,000		277,000	277,000	
Project Total			254,000	254,000		277,000	277,000	
TOTAL ADDITIONAL			254,000	254,000		277,000	277,000	

HORSE RACING AUTHORITY

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly amends Part I, Operating Budget, to include the following language provision:

"Racing Dates' Fees and Assessments: The Horse Racing Authority may impose a fee or assessment only on thoroughbred racetracks with an average daily handle, as defined in KRS 138.510(1), equal to or above \$1,200,000, and the fee or assessment imposed shall not exceed the daily assessment or fee charged per day, per racetrack in fiscal year 2005-2006. The Horse Racing Authority shall not impose a fee or assessment on racetracks with an average daily handle, as defined in KRS 138.510(1), below \$1,200,000."

The Governor of the Commonwealth vetoes the following Part I, Operating Budget, language provision regarding the Kentucky Horse Racing Authority:

Veto #5 of HB 406 - *"I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:*

Page 66, lines 5 through 11 in their entirety.

HORSE RACING AUTHORITY

I am vetoing this part because the General Assembly did not provide an alternative funding source for the operational costs of the regulatory functions required of the Authority.

The vetoed part imposes a limitation on assessments paid by Kentucky thoroughbred race tracks to the Horse Racing Authority for each live-day of racing for the 2008-2010 biennium.

The smaller tracks in Kentucky are struggling financially. These tracks are critical to the success of year-round horse racing in the Commonwealth and I am committed to implementing measures to protect and grow this industry.

We are working with representatives of the race tracks to establish an acceptable level of interim funding. I will be appointing a task force to recommend an appropriate funding mechanism for the Authority which will protect the integrity, long-term viability and growth of the racing industry. The task force will also be asked to address issues critical to the regulatory success of the Racing Authority and provide potential solutions to these challenges."

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F - Environmental and Public Protection Cabinet**Operating Budget****Housing, Buildings and Construction**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,504,300	2,504,300		2,321,000	2,321,000		2,321,000	2,321,000	
Restricted Funds	14,592,400	14,592,400		15,826,400	15,826,400		17,292,500	17,292,500	
Regular Total Funds	17,096,700	17,096,700		18,147,400	18,147,400		19,613,500	19,613,500	
Use of Continuing									
TOTAL FUNDS	17,096,700	17,096,700		18,147,400	18,147,400		19,613,500	19,613,500	
II. EXPENDITURE CATEGORY									
Personnel Costs	13,859,300	13,859,300		15,254,900	15,254,900		16,711,800	16,711,800	
Operating Expenses	3,237,400	3,237,400		2,892,500	2,892,500		2,901,700	2,901,700	
TOTAL EXPENDITURES	17,096,700	17,096,700		18,147,400	18,147,400		19,613,500	19,613,500	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,504,300	2,504,300		2,321,000	2,321,000		2,321,000	2,321,000	
Restricted Funds	14,592,400	14,592,400		14,597,600	14,597,600		15,028,100	15,028,100	
Regular Total Funds	17,096,700	17,096,700		16,918,600	16,918,600		17,349,100	17,349,100	
Use of Continuing									
TOTAL BASE LEVEL	17,096,700	17,096,700		16,918,600	16,918,600		17,349,100	17,349,100	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds				1,228,800	1,228,800		2,264,400	2,264,400	
TOTAL ADDITIONAL				1,228,800	1,228,800		2,264,400	2,264,400	
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN Heating, Ventilation & Air Conditioning									
ABRPPP00001 Provides funds for 38 and 51 positions, respectively.									
Restricted Funds				1,139,600	1,139,600		2,170,500	2,170,500	
Project Total				1,139,600	1,139,600		2,170,500	2,170,500	
2 NEW Safe Cigarette Program									
ABRPPP00005 Provides funds for 1 full-time position to administer the program.									
Restricted Funds				89,200	89,200		93,900	93,900	
Project Total				89,200	89,200		93,900	93,900	
TOTAL ADDITIONAL				1,228,800	1,228,800		2,264,400	2,264,400	

F - Environmental and Public Protection Cabinet**Operating Budget****Housing, Buildings and Construction**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TRANSFERS TO THE GENERAL FUND									
Housing, Buildings and Construction									
Agency Revenue Fund (KRS 198B.090(10), 198B.095(2), 198B.615, 198B.676(2), 227.620(5), 227A.050(1)(2), 236.130(3), and 318.136)	600,000	600,000		1,300,000	1,300,000		1,800,000	1,800,000	
TOTAL	600,000	600,000		1,300,000	1,300,000		1,800,000	1,800,000	

HOUSING, BUILDINGS AND CONSTRUCTION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes transfers from the Office of Housing Buildings and Construction, Restricted Funds of \$600,000 in fiscal year 2007-2008, \$1,300,000 in fiscal year 2008-2009, and \$1,800,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Funding Flexibility: Notwithstanding KRS 198B.090(10), 198B.095(2), 198B.615, 198B.676(2), 227.620(5), 227A.050(1)(2), 236.130(3), and 318.136, the Office of Housing, Buildings and Construction may expend Restricted Funds for programs administered by the Office."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following changes:

The General Assembly amends Part I, Operating Budget, to include the following language provisions:

"Funding Flexibility: Notwithstanding KRS 198B.090(10), 198B.095(2), 198B.615, 198B.676(2), 227.620(5), 227A.050(1)(2), 236.130(3), and 318.136, the Office of Housing, Buildings and Construction may expend, with the approval of any affected boards, any Restricted Funds for programs administered by the office. The office shall return any funds transferred from a board back to the board within the fiscal biennium.

HOUSING, BUILDINGS AND CONSTRUCTION

HVAC Permitting and Inspecting: Notwithstanding 2007 Ky. Acts ch. 86, secs. 11 and 12, the effective date of 2007 Ky. Acts ch. 86, secs. 1, 3, 4, 6, 9, and 10 shall be July 1, 2010 and the effective date of 2007 Ky. Acts ch. 86, secs. 2, 5, 7, and 8 shall be January 1, 2011."

F - Environmental and Public Protection Cabinet**Capital Budget****Housing, Buildings and Construction**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

II. CAPITAL PROJECTS**1 Franklin County - Lease**

PRJPPP05000

Restricted Funds

Project Total**TOTAL CAPITAL**

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F - Environmental and Public Protection Cabinet**Operating Budget****Insurance**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund (Tobacco)	19,180,200	19,180,200		19,551,300	19,551,300		19,881,900	19,881,900	
General Fund	13,095,000	13,095,000							
Restricted Funds	21,719,900	21,719,900		20,358,300	20,358,300		20,651,000	20,651,000	
Federal Funds	2,381,600	2,381,600							
Regular Total Funds	56,376,700	56,376,700		39,909,600	39,909,600		40,532,900	40,532,900	
Use of Continuing	3,188,000	3,188,000							
TOTAL FUNDS	59,564,700	59,564,700		39,909,600	39,909,600		40,532,900	40,532,900	

II. EXPENDITURE CATEGORY

Personnel Costs	41,172,400	41,172,400		37,858,000	37,858,000		38,460,300	38,460,300	
Operating Expenses	2,971,700	2,971,700		2,027,400	2,027,400		2,039,600	2,039,600	
Grants, Loans, Benefits	15,330,900	15,330,900							
Capital Outlay	89,700	89,700		24,200	24,200		33,000	33,000	
TOTAL EXPENDITURES	59,564,700	59,564,700		39,909,600	39,909,600		40,532,900	40,532,900	

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund (Tobacco)	19,180,200	19,180,200		19,551,300	19,551,300		19,881,900	19,881,900	
General Fund	13,095,000	13,095,000							
Restricted Funds	21,719,900	21,719,900		20,358,300	20,358,300		20,651,000	20,651,000	
Federal Funds	2,381,600	2,381,600							
Regular Total Funds	56,376,700	56,376,700		39,909,600	39,909,600		40,532,900	40,532,900	
Use of Continuing	3,188,000	3,188,000							
TOTAL BASE LEVEL	59,564,700	59,564,700		39,909,600	39,909,600		40,532,900	40,532,900	

TRANSFERS TO THE GENERAL FUND

Insurance									
Agency Revenue Fund (KRS 304.2-300(1)(4), 304.2-400 and 304.2-440(4))				15,820,000	15,820,000		15,360,000	15,360,000	
Kentucky Access Fund (KRS 304.2-440(4) and 304-17B-021)				71,551,500	71,551,500		5,385,900	5,385,900	
Expendable Trust Fund (2006 Kentucky Acts Chapter 252, Part XXIII, Section 6)				16,750,000	16,750,000				
Fire and Tornado Insurance Fund (KRS 56.180)	1,000,000	1,000,000							

F - Environmental and Public Protection Cabinet**Operating Budget****Insurance**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL	1,000,000	1,000,000		104,121,500	104,121,500		20,745,900	20,745,900	

INSURANCE

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes transfers from the Office of Insurance, Restricted Funds of \$15,820,000 in fiscal year 2008-2009, and \$15,360,000 in fiscal year 2009-2010; Kentucky Access Fund, Restricted Funds of \$71,551,500 in fiscal year 2008-2009 and \$5,385,900 in fiscal year 2009-2010; Expendable Trust Fund, Restricted Funds of \$16,750,000 in fiscal year 2008-2009; Fire and Tornado Insurance Fund, Restricted Funds of \$1,000,000 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Tobacco Settlement Funds: Included in the above General Fund (Tobacco) appropriation is \$19,551,300 in fiscal year 2008-2009 and \$19,881,900 in fiscal year 2009-2010 for the Kentucky Access Program."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

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F - Environmental and Public Protection Cabinet**Capital Budget****Insurance**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

II. CAPITAL PROJECTS**1 Franklin County - Lease**

PRJPPD05000

Restricted Funds

Project Total**TOTAL CAPITAL**

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F - Environmental and Public Protection Cabinet**Operating Budget****Mine Safety Review Commission**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	184,200	184,200		133,900	183,900	50,000	137,100	187,100	50,000
Restricted Funds				5,000	5,000		5,500	5,500	
Regular Total Funds	184,200	184,200		138,900	188,900	50,000	142,600	192,600	50,000
Use of Continuing									
TOTAL FUNDS	184,200	184,200		138,900	188,900	50,000	142,600	192,600	50,000
II. EXPENDITURE CATEGORY									
Personnel Costs	157,900	157,900		130,800	155,800	25,000	134,000	159,000	25,000
Operating Expenses	26,300	26,300		8,100	33,100	25,000	8,600	33,600	25,000
TOTAL EXPENDITURES	184,200	184,200		138,900	188,900	50,000	142,600	192,600	50,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	184,200	184,200		133,900	183,900	50,000	137,100	187,100	50,000
Restricted Funds				5,000	5,000		5,500	5,500	
Regular Total Funds	184,200	184,200		138,900	188,900	50,000	142,600	192,600	50,000
Use of Continuing									
TOTAL BASE LEVEL	184,200	184,200		138,900	188,900	50,000	142,600	192,600	50,000

MINE SAFETY REVIEW COMMISSION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly provides General Fund support totalling \$50,000 in fiscal year 2008-2009 and \$50,000 in fiscal year 2009-2010 for the operating funds of the Mine Safety Review Commission.

F - Environmental and Public Protection Cabinet**Operating Budget****Mine Safety and Licensing**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	10,335,100	10,335,100		13,464,400	13,464,400		13,790,200	13,790,200	
Restricted Funds	2,397,200	2,397,200		1,947,500	1,947,500		1,952,000	1,952,000	
Federal Funds	631,100	631,100		631,100	631,100		631,100	631,100	
Regular Total Funds	13,363,400	13,363,400		16,043,000	16,043,000		16,373,300	16,373,300	
Use of Continuing									
TOTAL FUNDS	13,363,400	13,363,400		16,043,000	16,043,000		16,373,300	16,373,300	
II. EXPENDITURE CATEGORY									
Personnel Costs	11,126,000	11,126,000		13,007,500	13,007,500		13,704,200	13,704,200	
Operating Expenses	2,074,400	2,074,400		2,781,900	2,781,900		2,511,100	2,511,100	
Grants, Loans, Benefits	158,000	158,000		158,000	158,000		158,000	158,000	
Capital Outlay	5,000	5,000		95,600	95,600				
TOTAL EXPENDITURES	13,363,400	13,363,400		16,043,000	16,043,000		16,373,300	16,373,300	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	10,335,100	10,335,100		10,464,400	10,464,400		10,790,200	10,790,200	
Restricted Funds	2,397,200	2,397,200		1,947,500	1,947,500		1,952,000	1,952,000	
Federal Funds	631,100	631,100		631,100	631,100		631,100	631,100	
Regular Total Funds	13,363,400	13,363,400		13,043,000	13,043,000		13,373,300	13,373,300	
Use of Continuing									
TOTAL BASE LEVEL	13,363,400	13,363,400		13,043,000	13,043,000		13,373,300	13,373,300	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				3,000,000	3,000,000		3,000,000	3,000,000	
TOTAL ADDITIONAL				3,000,000	3,000,000		3,000,000	3,000,000	
V. ADDITIONAL BUDGET ITEMS									
1 EXPAN Safety Inspection and Licensing									
ABRNRE00007 Provides funds to support 13 positions and purchase 10 vehicles.									
General Fund				1,279,800	1,279,800		1,265,800	1,265,800	
Project Total				1,279,800	1,279,800		1,265,800	1,265,800	
2 EXPAN Safety Analysis & Training Cert									
ABRNRE00003 Provides funds to support 20 full-time positions and 10 vehicles.									
General Fund				1,720,200	1,720,200		1,734,200	1,734,200	
Project Total				1,720,200	1,720,200		1,734,200	1,734,200	

F - Environmental and Public Protection Cabinet**Operating Budget****Mine Safety and Licensing**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL ADDITIONAL				3,000,000	3,000,000		3,000,000	3,000,000	

MINE SAFETY AND LICENSING

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Mine Safety: Notwithstanding KRS 45.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$3,000,000 in fiscal year 2008-2009 and \$3,000,000 in fiscal year 2009-2010 is appropriated as General Fund moneys to the Mine Safety and Licensing budget unit."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly deletes a Part I, Operating Budget, language provision as follows:

"Mine Safety: Notwithstanding KRS 45.4592, the quarterly calculation of the allocation of moneys to coal-producing counties through the Local Government Economic Development Fund shall be made only after each quarterly installment of the annual appropriation of \$3,000,000 in fiscal year 2008-2009 and \$3,000,000 in fiscal year 2009-2010 is appropriated as General Fund moneys to the Mine Safety and Licensing budget unit."

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F - Environmental and Public Protection Cabinet

Operating Budget

Public Service Commission

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	8,218,900	8,218,900		13,000,000	13,000,000		13,000,000	13,000,000	
Restricted Funds	810,700	810,700		840,900	840,900		840,900	840,900	
Federal Funds	218,300	218,300		218,300	218,300		218,300	218,300	
Regular Total Funds	9,247,900	9,247,900		14,059,200	14,059,200		14,059,200	14,059,200	
Use of Continuing	1,155,200	1,155,200		(2,500,000)	(2,860,700)	(360,700)	(2,250,000)	(2,610,700)	(360,700)
TOTAL FUNDS	10,403,100	10,403,100		11,559,200	11,198,500	(360,700)	11,809,200	11,448,500	(360,700)
II. EXPENDITURE CATEGORY									
Personnel Costs	8,591,300	8,591,300		8,792,600	8,478,800	(313,800)	9,047,600	8,733,800	(313,800)
Operating Expenses	375,100	375,100		1,317,900	1,271,000	(46,900)	1,312,900	1,266,000	(46,900)
Grants, Loans, Benefits	810,700	810,700		840,900	840,900		840,900	840,900	
Debt Service	589,000	589,000		589,000	589,000		589,000	589,000	
Capital Outlay	37,000	37,000		18,800	18,800		18,800	18,800	
TOTAL EXPENDITURES	10,403,100	10,403,100		11,559,200	11,198,500	(360,700)	11,809,200	11,448,500	(360,700)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	8,218,900	8,218,900		12,873,000	12,873,000		12,859,000	12,859,000	
Restricted Funds	810,700	810,700		840,900	840,900		840,900	840,900	
Federal Funds	218,300	218,300		218,300	218,300		218,300	218,300	
Regular Total Funds	9,247,900	9,247,900		13,932,200	13,932,200		13,918,200	13,918,200	
Use of Continuing	1,155,200	1,155,200		(2,500,000)	(2,860,700)	(360,700)	(2,250,000)	(2,610,700)	(360,700)
TOTAL BASE LEVEL	10,403,100	10,403,100		11,432,200	11,071,500	(360,700)	11,668,200	11,307,500	(360,700)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				127,000	127,000		141,000	141,000	
TOTAL ADDITIONAL				127,000	127,000		141,000	141,000	
V. ADDITIONAL BUDGET ITEMS									
1 GB Div. of Filings									
ABRPPF00003 Provides funds for 2 positions.									
General Fund				127,000	127,000		141,000	141,000	
Project Total				127,000	127,000		141,000	141,000	
TOTAL ADDITIONAL				127,000	127,000		141,000	141,000	

PUBLIC SERVICE COMMISSION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Debt Service: Included in the above General Fund appropriation is \$589,000 in fiscal year 2008-2009 and \$589,000 in fiscal year 2009-2010 for debt service for previously issued bonds."

"Lapse of General Fund Appropriation Balance: Notwithstanding KRS 278.150(3), \$2,500,000 in fiscal year 2008-2009 and \$2,250,000 in fiscal year 2009-2010 shall lapse to the credit of the General Fund."

"Telecommunication Access Program: Notwithstanding KRS 278.5499, the funding mechanism for the telecommunication device for the deaf distribution program shall allocate not more than two cents per access line per month."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch with the following change:

The General Assembly modifies Part I, Operating Budget, language provision as follows:

"Lapse of General Fund Appropriation Balance: Notwithstanding KRS 278.150(3), \$2,860,700 in fiscal year 2008-2009 and \$2,610,700 in fiscal year 2009-2010 shall lapse to the credit of the General Fund."

F - Environmental and Public Protection Cabinet**Operating Budget****Tax Appeals**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	439,800	439,800		439,800	439,800		439,800	439,800	
Regular Total Funds	439,800	439,800		439,800	439,800		439,800	439,800	
Use of Continuing									
TOTAL FUNDS	439,800	439,800		439,800	439,800		439,800	439,800	
II. EXPENDITURE CATEGORY									
Personnel Costs	425,000	425,000		424,400	424,400		427,200	427,200	
Operating Expenses	14,800	14,800		15,400	15,400		12,600	12,600	
TOTAL EXPENDITURES	439,800	439,800		439,800	439,800		439,800	439,800	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	439,800	439,800		439,800	439,800		439,800	439,800	
Regular Total Funds	439,800	439,800		439,800	439,800		439,800	439,800	
Use of Continuing									
TOTAL BASE LEVEL	439,800	439,800		439,800	439,800		439,800	439,800	

TAX APPEALS

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

F - Environmental and Public Protection Cabinet**Operating Budget****Labor**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,410,000	2,410,000		2,121,100	2,121,100		2,121,300	2,121,300	
Restricted Funds	111,159,800	111,159,800		93,911,300	93,911,300		94,777,300	94,777,300	
Federal Funds	3,294,100	3,294,100		3,239,200	3,239,200		3,236,400	3,236,400	
Regular Total Funds	116,863,900	116,863,900		99,271,600	99,271,600		100,135,000	100,135,000	
Use of Continuing									
TOTAL FUNDS	116,863,900	116,863,900		99,271,600	99,271,600		100,135,000	100,135,000	
II. EXPENDITURE CATEGORY									
Personnel Costs	22,673,300	22,673,300		22,170,900	22,170,900		22,820,200	22,820,200	
Operating Expenses	5,437,500	5,437,500		4,925,700	4,925,700		5,168,800	5,168,800	
Grants, Loans, Benefits	88,424,800	88,424,800		72,001,000	72,001,000		72,001,000	72,001,000	
Capital Outlay	328,300	328,300		174,000	174,000		145,000	145,000	
TOTAL EXPENDITURES	116,863,900	116,863,900		99,271,600	99,271,600		100,135,000	100,135,000	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,410,000	2,410,000		2,121,100	2,121,100		2,121,300	2,121,300	
Restricted Funds	111,159,800	111,159,800		93,911,300	93,911,300		94,777,300	94,777,300	
Federal Funds	3,294,100	3,294,100		3,239,200	3,239,200		3,236,400	3,236,400	
Regular Total Funds	116,863,900	116,863,900		99,271,600	99,271,600		100,135,000	100,135,000	
Use of Continuing									
TOTAL BASE LEVEL	116,863,900	116,863,900		99,271,600	99,271,600		100,135,000	100,135,000	

LABOR

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

F - Environmental and Public Protection Cabinet**Capital Budget****Labor**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

II. CAPITAL PROJECTS**1 Franklin County - Lease**

PRJ920B5001

Restricted Funds

Project Total**2 Franklin County - Lease**

PRJ920B5000

Restricted Funds

Project Total**TOTAL CAPITAL**

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F - Environmental and Public Protection Cabinet**Operating Budget****Occupational Safety and Health Review Commission**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	484,400	484,400		495,300	495,300		505,800	505,800	
Regular Total Funds	484,400	484,400		495,300	495,300		505,800	505,800	
Use of Continuing									
TOTAL FUNDS	484,400	484,400		495,300	495,300		505,800	505,800	
II. EXPENDITURE CATEGORY									
Personnel Costs	441,000	441,000		451,900	451,900		462,400	462,400	
Operating Expenses	43,400	43,400		43,400	43,400		43,400	43,400	
TOTAL EXPENDITURES	484,400	484,400		495,300	495,300		505,800	505,800	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	484,400	484,400		495,300	495,300		505,800	505,800	
Regular Total Funds	484,400	484,400		495,300	495,300		505,800	505,800	
Use of Continuing									
TOTAL BASE LEVEL	484,400	484,400		495,300	495,300		505,800	505,800	

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

F - Environmental and Public Protection Cabinet**Operating Budget****Workers' Compensation Board**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	920,200	920,200		949,200	949,200		969,000	969,000	
Regular Total Funds	920,200	920,200		949,200	949,200		969,000	969,000	
Use of Continuing									
TOTAL FUNDS	920,200	920,200		949,200	949,200		969,000	969,000	
II. EXPENDITURE CATEGORY									
Personnel Costs	807,400	807,400		835,400	835,400		856,100	856,100	
Operating Expenses	112,800	112,800		113,800	113,800		112,900	112,900	
TOTAL EXPENDITURES	920,200	920,200		949,200	949,200		969,000	969,000	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	920,200	920,200		949,200	949,200		969,000	969,000	
Regular Total Funds	920,200	920,200		949,200	949,200		969,000	969,000	
Use of Continuing									
TOTAL BASE LEVEL	920,200	920,200		949,200	949,200		969,000	969,000	

WORKERS' COMPENSATION BOARD

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.

F - Environmental and Public Protection Cabinet**Operating Budget****Workers' Compensation Funding Commission**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	122,572,200	122,572,200		107,987,800	107,987,800		108,468,400	108,468,400	
Regular Total Funds	122,572,200	122,572,200		107,987,800	107,987,800		108,468,400	108,468,400	
Use of Continuing									
TOTAL FUNDS	122,572,200	122,572,200		107,987,800	107,987,800		108,468,400	108,468,400	
II. EXPENDITURE CATEGORY									
Personnel Costs	2,299,300	2,299,300		2,314,100	2,314,100		2,352,600	2,352,600	
Operating Expenses	116,642,900	116,642,900		104,058,700	104,058,700		104,500,800	104,500,800	
Grants, Loans, Benefits	3,630,000	3,630,000		1,615,000	1,615,000		1,615,000	1,615,000	
TOTAL EXPENDITURES	122,572,200	122,572,200		107,987,800	107,987,800		108,468,400	108,468,400	
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	122,572,200	122,572,200		107,987,800	107,987,800		108,468,400	108,468,400	
Regular Total Funds	122,572,200	122,572,200		107,987,800	107,987,800		108,468,400	108,468,400	
Use of Continuing									
TOTAL BASE LEVEL	122,572,200	122,572,200		107,987,800	107,987,800		108,468,400	108,468,400	
TRANSFERS TO THE GENERAL FUND									
Workers' Compensation Funding Commission									
Insurance Administration Fund (KRS 342.1227)				6,200,000	6,200,000				
TOTAL				6,200,000	6,200,000				

WORKERS' COMPENSATION FUNDING COMMISSION

BRANCH BUDGET

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes transfers from the Workers' Compensation Funding Commission, Restricted Funds of \$6,200,000 in fiscal year 2008-2009.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Commission Funding: Notwithstanding KRS 342.122(1)(c), no General Fund appropriation is provided to the Kentucky Workers' Compensation Funding Commission in fiscal year 2008-2009 and fiscal year 2009-2010."

"Mine Safety Funding: Notwithstanding KRS 342.122(1)(a), \$952,000 in each year of the biennium from the Coal Workers' Pneumoconiosis Fund shall support mine safety compliance, education, and training in the Office of Mine Safety and Licensing."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch.